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# ***Daily Report***

## **China**

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# Daily Report

## China

FBIS-CHI-95-089

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## General

### Spokesman: Singapore Prime Minister To Visit

OW0905074895 Beijing XINHUA in English  
0725 GMT 9 May 95

[FBIS Transcribed Text] Beijing, May 9 (XINHUA) — Prime Minister of the Republic of Singapore Goh Chok Tong will pay a working visit to China from May 11 to 21 at the invitation of Chinese Premier Li Peng.

This was announced by Shen Guofang, spokesman with the Ministry of Foreign Affairs, here today.

### Jiang Zemin Speaks at Moscow War Memorial

OW0905105395 Beijing XINHUA in English  
1044 GMT 9 May 95

[FBIS Transcribed Text] Moscow, May 9 (XINHUA) — Chinese President Jiang Zemin said here today that the Chinese people made "indelible contributions" to the victory of the anti-fascist World War II.

"The Chinese people fought tenaciously in close coordination with the Soviet Union, the United States and other allied countries and crushed the hegemonic ambition of the Japanese militarists, thus making indelible contributions to the victory of the anti-fascist world war," Jiang said at the unveiling ceremony of the Patriotic War Memorial.

The Chinese president was in Moscow at the invitation of Russian President Boris Yeltsin to attend the celebrations of the 50th anniversary of the victory in Europe of World War II.

Recalling the Second World War, Jiang said China fought and pinned down more than two-thirds of the Japanese ground forces and suffered 35 million military and civilian casualties during the eight-year resistance movement against Japanese aggressors.

Jiang also spoke highly of the historical role played by the people of the former Soviet Union in the anti-fascist war.

"The Soviet Union fought 80 percent of the German fascist forces in the main anti-fascist war theater in Europe, which cost the Soviet Union 27 million lives and immeasurable national wealth," he noted.

"Seldom has any other country or people in history made a sacrifice so great to win a war of national defense. The historical contributions of the Soviet people and troops will go down in history forever."

The Chinese president also said that the Chinese and the Russian peoples forged a profound friendship in the war.

"Today, we have witnessed new progress in our relations which call for looking into the 21st century, observing the five principles of peaceful coexistence and becoming good neighbors, good partners and good friends that refrain from confrontation and forming of alliance," Jiang said.

He called for further development of good neighborly relations and mutually beneficial cooperation between the two countries.

"I am fully convinced that this new type of relationship is viable and will benefit not only the Chinese and Russian peoples, but also world peace and development," he said.

In his speech, the Chinese president also referred to the important contributions made by the United States, Britain and France as well as those peoples under Hitler's "new European order" to the victory.

"History has demonstrated that countries with different social systems and ideologies can join hands in meeting the common challenges to human survival and development. The five principles of peaceful coexistence shall become basic norms governing state-to-state relations," Jiang said.

"Today, with ever closer interrelationship in the world economy and among states, it is all the more imperative to conduct international cooperation based on equality and mutual benefit," he said.

The Chinese people are ready to work hard together with other peoples in the world in support of each other for a new world of peace and cooperation, justice and equality, mutual respect and common development, universal prosperity and steady progress, Jiang said.

### Justice Minister Attends UN Congress on Crime

OW0805121395 Beijing XINHUA in English  
1054 GMT 8 May 95

[FBIS Transcribed Text] Cairo, May 8 (XINHUA) — The 9th UN Congress on Prevention of Crime and Treatment of Offenders (UNCPCTO) closed here today after adopting 10 resolutions on fighting organized transnational crime, penalizing environmental crimes and preventing urban crime.

The UNCPCTO, which opened on April 29, has drawn approximately 3,000 participants from 147 countries and a number of international organizations.

During the 10-day sessions, the participants discussed multinational crime syndicates, money laundering, crimes against the environment, violent criminality and victims' rights as well as a variety of relevant issues.

Faruq Sayf-al-Nasr, Egypt's Minister of Justice who served as president of the UNCPCTO, chaired the closing session.

The congress has been viewed as an international forum and its resolutions have no legal binding on any state.

This congress was the first UNCPCTO ever held on the African continent and in the Arab world, to which the Egyptian government attached great importance.

Xiao Yang, China's Justice Minister, attended the congress at head of the Chinese delegation.

#### **Dele te Addresses UN Information Committee**

OW0905063395 Beijing XINHUA in English  
0531 GMT 9 May 95

[FBIS Transcribed Text] United Nations, May 8 (XINHUA) — UN activities in public information should be aimed at helping the world people to achieve a better understanding of the international organization and establishing a new international information order, a Chinese delegate told the UN Committee on Information today.

Speaking at the current session of the committee meeting, Zhang Yan said UN activities in public information should help to make known the achievements of the UN in various fields, thus gaining support of the world people to its work, he said.

UN activities in public information should also promote the establishment of a new international information and communication order, he said.

A just and equitable new information order, as an important component of a new international political and economic order, is the common aspiration of the developing countries, he added.

Zhang also urged the United Nations to pay greater attention to the economic development of the developing countries.

He pointed out that further aggravation of poverty in some developing countries has become a factor for internal political instability.

#### **Clinton Leaves for Moscow To Observe V-E Day**

OW0905054895 Beijing XINHUA in English  
1918 GMT 8 May 95

[FBIS Transcribed Text] Washington, May 8 (XINHUA) — U.S. President Bill Clinton left here this afternoon for Moscow to join other world leaders at observances of the V-E [Victory in Europe] Day on Tuesday [9 May] and to hold talks with Russian President Boris Yeltsin on Wednesday.

Shortly before his departure, Clinton paid tribute to World War II "soldiers shot and shattered by the weapons of war" at a military ceremony at Fort Myer near Washington.

He told hundreds of American veterans that "because of all you did, we live at a moment of hope, in a nation of peace."

Accompanied by U.S. Secretary of State Warren Christopher during his trip to Moscow, Clinton is expected to press Russian leaders to reconsider their planned sale of nuclear technology to Iran during the U.S.-Russian summit, the seventh of its kind since the end of the Cold War.

The Clinton administration, under mounting pressure from Republican congressmen at home, has repeatedly urged Moscow to stop any nuclear cooperation with Tehran, stressing that any such kind of cooperation would pose serious threat to the national security of Russia and spoil the peace process in the Middle East.

Other issues on the discussion agenda at the summit are believed to include the proposed expansion of the North Atlantic Treaty Organization and what Washington describes as "tragic war" in Chechnya.

However, local press reports here see little possibility of reaching agreement between the U.S. and Russian leaders on resolving these "difficult issues" during their one-day talks.

#### **Clinton Signs Order Imposing Sanctions on Iran**

OW0905053995 Beijing XINHUA in English  
2116 GMT 8 May 95

[FBIS Transcribed Text] Washington, May 8 (XINHUA) — U.S. President Bill Clinton has signed an executive order imposing new economic sanctions against Iran, the White House announced here today.

The executive order, signed by the President last night, will ban virtually all U.S. trade and investment with Iran and it will take effect in 30 days, the White House said in a statement.

Under the order, "U.S. Persons are prohibited from trading in goods and services of Iranian origin, or from exporting goods, technology or services to Iran, or from providing financing for those transactions," the statement said.

"The re-exportation to Iran from third countries of goods or technology heretofore controlled for export to Iran from the United States is also prohibited.

"U.S. Companies are prohibited from approving or facilitating the performance of their affiliates' transactions

with Iran that they themselves are precluded from performing.

"Effective immediately, new investment in Iran is prohibited, 'New investment' includes any commitment of funds or other assets, a loan, or any other extension of credit.

"Any transaction that evades or avoids the prohibitions, or has the purpose of evading or avoiding the prohibitions, and any attempt to violate the order, is also prohibited," the statement stressed.

Clinton announced his decision to issue the order against Iran on April 30 when he delivered a speech to an annual meeting of the World Jewish Congress in New York City.

The President said the order would ban some 326 million dollars in annual U.S. exports to Iran and bar U.S. companies from buying some 4 billion worth of Iranian oil for sale to the third countries.

Clinton said if the United States wants to succeed in getting other countries to join the U.S. sanctions against Iran, "We, too, must be willing to sacrifice."

But, except Israel, major U.S. allies disagreed with the U.S. decision and were opposed to taking similar actions.

### United States & Canada

#### U.S. Criticized for 'Double Standard'

HK0905015795 Beijing RENMIN RIBAO in Chinese  
8 Mar 95 p 6

["International Forum" by Gu Ping (0657 1627): "Also Discussing 'Double Standards'"]

[FBIS Translated Text] In the past two years, there has been some discord in U.S.-Russian relations. Now both sides have started another argument, this time around the issue of nuclear cooperation between Russia and Iran.

According to the contract signed by Russia and Iran in January of this year, Russia will supply equipment and raw materials to Iran's Busir Nuclear Power Station. The United States immediately reacted strongly to this action and even threatened to "suspend aid" if Russia does not stop supplying Iran with nuclear technology aid for civilian use. The United States stated that this was because it wanted to prevent "nuclear proliferation." But in Moscow's view, Iran is a signatory country to the Nuclear Non-Proliferation Treaty, and even the United States has recognized the fact that Iran has carried out its obligations to subject itself to international inspection. The International Atomic Energy Agency has also

confirmed that Iran observes the guidelines of the treaty. But the United States still insists that the construction of this nuclear power station is aimed at developing nuclear weapons. Russian Foreign Minister Kozyrev responded, stating that Russia and Iran cooperate in the peaceful use nuclear power and that Russia will never succumb to the will of a major power. Russian public opinion is also quite dissatisfied with the U.S. attitude. KRASNAYA ZVEZDA [Red Star] complained, "It is as if Moscow cannot do what Washington can," and it accused the United States of pursuing "double standards."

It is inappropriate for outsiders to interfere in this dispute between the United States and Russia, but KRASNAYA ZVEZDA hit the nail on the head when it criticized the United States for practicing double standards, because when it comes to foreign affairs, the United States is an old pro in practicing double standards. In international trade, it usually uses its domestic law to handle disputes with other countries; but if any other country does the same to her, she definitely will not accept it. In arms trade, the United States is by far the largest exporting country in the world, but it still constantly blames other countries for arms exports. If a country happens to buy some necessary equipment, the United States immediately paints this country as constituting a "threat" to regional security. But when the United States peddles large amounts of weaponry, this has become a "stabilizing factor" in regional security. On the question of human rights, U.S. domestic issues are piling up, but it still issues "human rights reports" year after year, attacking other countries for not heeding "human rights," in an attempt to use this opportunity to impose its own social system and ideology on others. Take the nuclear issue as an example. On the one hand, the United States opposes the nuclear power station contract between Russia and Iran; on the other hand, it does not raise any objection to the development of nuclear weapons by its ally, Israel.

One of the reasons why the United States is practicing double standards everywhere is because it has for a long time regarded itself as a "world leader." Since the end of the Cold War, the United States has considered itself the only superpower in the world, and has become even more arrogant. It is keen on making indiscreet remarks and bossing everyone else around to do everything as it wishes. If anyone tries to ignore it, it will threaten with "sanctions." It is easy to see that the self-styled "world leader" is actually pursuing power politics; the so-called double standards are in fact only one standard, namely, U.S. interest and hegemonistic status.

The implementation of "double standards" in foreign affairs, will, of course, be subject to opposition by the international community. So, if the United States is not



able to rid itself of the "world leader" syndrome, does not learn to treat others as equals, and does not bind itself with the norms governing international relations, it is no different from looking for trouble. Not only is this detrimental to worldwide stability, but it is not in the long-term interest of the United States.

### Central Eurasia

#### Bridge To Be Built Between Heilongjiang, Russia

SK0805120295 Harbin HEILONGJIANG RIBAO  
in Chinese 18 Mar 95 p 1

[Article by reporter Wang Zengxiang (3769 1073 6116): "China and the Russian Federation Sign Summary of Talks on Building Heilongjiang Bridge Linking Heihe and Blagoveshchensk"]

[FBIS Translated Text] On 17 March in Heihe, as a result of on-the-spot investigations, the PRC Government and the 21-member government delegation of the Russian Federation jointly signed the summary of the talks on cooperatively building the Heilongjiang bridge linking Heihe with Blagoveshchensk, thus making new headway in promoting the construction of this bridge.

Through engineering and geological prospecting, and with the approval of the feasible report on the project for building the Heilongjiang bridge linking Heihe with Blagoveshchensk which the people at home and abroad have paid close attention to, the delegations organized by the governments of the two countries held two rounds of talks respectively in Moscow and Beijing. In mid-March 1995 in Beijing, both sides attained an agreement on the bridge's model and site. After basically reaching an agreement involving various articles, the delegations of both sides jointly went to Heihe to inspect the bridge's site as well as visited the border economic and technological cooperation zone of Heihe and the Chinese-Russian civilian trading market of Daheihedao.

#### Anniversary of WWII Celebrated in Moscow

##### Zhang at Monument Unveiling

OW0805140095 Beijing XINHUA in English  
1048 GMT 8 May 95

[FBIS Transcribed Text] Moscow, May 8 (XINHUA) — A six-meter-high bronze monument to Marshal Georgiy Zhukov, a prominent military leader who led the Soviet army to the final victory over Nazi Germany 50 years ago, was unveiled in Manezh Square in the center of Moscow today.

Russian President Boris Yeltsin, accompanied by Defense Minister Pavel Grachev, cut the ribbon at the inaugurating ceremony, which was attended by a number of Russian leaders including First Deputy Premier

Oleg Soskovets and Chairman Vladimir Shumeiko of the Federation Council (Upper House of parliament).

Vice-Chairman of China's Central Military Commission Zhang Zhen took part in the ceremony.

Opening the ceremony, Moscow Mayor Yuriy Luzhkov highly appraised Zhukov, noting that everyone in Russia knows Zhukov. To him was linked the first victory of the Great Patriotic War [World War II] — shattering German fascist troops under Moscow, Luzhkov said.

The 20-tonne-weighty statue, placed in front of the Historical Museum, represents Zhukov in his heyday when he was inspecting, on a white horse, the victory parade in Red Square in 1945.

Born in a Russian peasant family in 1896, Zhukov began his army life as a cavalry soldier. He was once Chief of the General Staff of the Soviet Armed Forces. The Marshal became the Soviet Union's Deputy Supreme Commander, or the top aide to then Soviet leader Josef Stalin, in 1942.

During the Great Patriotic War, Zhukov saved Moscow and dealt the first deadly blow to the German ground forces. He broke the siege of Leningrad, defeated the Nazis' attack at Stalingrad, led the drive that captured Berlin, and accepted Germany's surrender.

However, Zhukov was relieved of all his posts, including the portfolio as Defense Minister, in 1957.

Recently, on the eve of the 50th anniversary of the victory day, the Russian authorities instituted special Zhukov medals for World War Two veterans to honor his memory.

#### Jiang Honors WWII Soldiers

OW0805151195 Beijing XINHUA in English  
1442 GMT 8 May 95

[FBIS Transcribed Text] Moscow, May 8 (XINHUA) — Visiting Chinese President Jiang Zemin today laid a wreath at the Unknown Soldier's Tomb in downtown Moscow to pay tribute to the soldiers of the former Soviet Union who died in World War II 50 years ago.

The tomb is decorated with pine trees and torchlight.

The wreath's ribbon was inscribed with "Eternal glory to the martyrs who died heroically in the Anti-Fascist War". More than nine million Soviet soldiers were killed in the war.

Jiang observed one-minute silence in front of the tomb.

Jiang's entourage, including Vice-Premier and Foreign Minister Qian Qichen and Vice-Chairman of the Central



Military Commission Zhang Zhen, were present at the occasion.

Jiang arrived here Sunday evening to attend celebrations marking the 50th anniversary of the Victory Day.

The former Soviet Union and China were two of the major battlefields in the Anti-Fascist War and made enormous national sacrifices in winning the war.

#### Jiang, Yeltsin on Ties

OW0905010095 Beijing XINHUA Domestic Service  
in Chinese 1514 GMT 8 May 95

[By reporters Li Hongqi (2621 4767 2475) and Huang Huizhu (7806 1979 3796)]

[FBIS Translated Text] Moscow, 8 May (XINHUA) — On 8 May, President Jiang Zemin and Russian President Yeltsin held a meeting at the Kremlin. They held sincere and friendly talks and unanimously agreed to continually make joint efforts to develop new Sino-Russian bilateral relations that are long-term, stable, good-neighborly, mutually beneficial, and cooperative.

Jiang Zemin said he was very pleased to arrive in Moscow at Yeltsin's invitation to attend celebrations marking the 50th anniversary of the victory over the anti-fascist war and share with the Moscow people their joy in winning the war. On behalf of the Chinese people, he extended warm congratulations to the Russian people. He said: The Soviet people performed indelible feats during the anti-fascist war. As a main force resisting Japanese fascism in the Eastern part of the world, the Chinese people waged an eight-year war of resistance against Japanese aggression. China and the Soviet Union, as well as the peoples of the two countries, made tremendous national sacrifices and historical contributions while striving to win World War II. During the war, the Chinese and Soviet peoples supported each other, fought shoulder to shoulder, and performed many moving deeds, both happy and tragic. The history of World War II showed that a country and a nation, big or small, cannot be defeated by force. It is especially so for great national states like China and Russia.

Yeltsin said he was very thankful that President Jiang Zemin could attend Moscow's celebrations. Sino-Russian relations have developed favorably in recent years. Russia hopes to establish a genuine partnership with China and further enhance bilateral ties.

Jiang Zemin said, "A very important Chinese national policy is to continually develop and strengthen Sino-Russian relations, which are good-neighborly, mutually beneficial, and cooperative. When I met you here last fall, we both decided to establish and develop a constructive Sino-Russian partnership that would

strategically gear us toward the next century. It is very important not only for China and Russia, but also for facilitating peace and progress in the world that, in accordance with the various principles of peaceful coexistence, China and Russia, the two great nations, will develop new bilateral relations that are long-term, stable, good-neighborly, mutually beneficial, and cooperative; treat each other sincerely; and get along amiably. I firmly believe the future of Sino-Russian relations will be magnificent [wo shen xin zhong e guan xi you zhuo mei hao de wei lai (2053 3234 0204 0022 0192 7070 4762 2589 4192 5019 1170 4104 2607 0171)]."

Yeltsin said: The border accord signed by Russia and China is sacred and unalterable, and Russia will resolutely enforce it. President Jiang Zemin appreciated his stance in this regard.

President Jiang Zemin reiterated his invitation for President Yeltsin to visit China. Yeltsin indicated he was very pleased to accept the invitation and will visit China in the second half of 1995.

Also attending the meeting were Qian Qichen, State Council vice premier and foreign minister, and Russian Foreign Minister Kozyrev.

During the meeting, President Jiang Zemin presented, as a gift to President Yeltsin, Chinese videotapes on the anti-fascist war.

#### Further on Improving Ties

OW0805171295 Beijing XINHUA in English  
1702 GMT 8 May 95

[FBIS Transcribed Text] Moscow, May 8 (XINHUA) — Chinese President Jiang Zemin and his Russian counterpart Boris Yeltsin met here today, pledging to better relations between the two countries.

The Chinese president arrived here Sunday [7 May] to attend the celebrations marking the 50th anniversary of the victory of the Anti-Fascist War.

At the one-hour meeting in the Kremlin, the two leaders agreed to strengthen the long-term relationship of good neighborliness and friendship based on mutually beneficial cooperation, Chinese Foreign Ministry spokesman Chen Jian said.

Jiang extended his "warm congratulations" to the Russian people, who had performed "indelible feats" in the Anti-Fascist War.

Some 27 million people were killed in World War Two, in which the former Soviet Union was a major battleground in Europe, like China in Asia.

Jiang said that as the main force fighting against Japanese aggression, the Chinese people waged an eight-year war of resistance and made "tremendous national sacrifices and historical contributions."

He spoke highly of the wartime friendship between the Chinese and Soviet peoples, saying they supported each other and fought "shoulder by shoulder" to win the Anti-Fascist War.

"World War Two shows that a nation, big or small, can not be defeated by force. It is especially so for great countries like China and Russia," Jiang said.

Yeltsin expressed his satisfaction with the "smooth development of Sino-Russian relations in recent years." He said Russia hoped to establish a "real partnership" with China by furthering bilateral ties.

Jiang replied that it is one of China's basic policies to promote sustained development of good neighborliness, friendship and mutually beneficial cooperation with Russia.

"When I met you here last fall, we decided to establish and develop a constructive partnership between the two countries with the next century in perspective," the Chinese leader told Yeltsin.

Last September, Jiang visited Moscow and signed several agreements including a border accord with his host.

Yeltsin today reiterated his country's adherence to the border accord, which left only a small section undetermined.

The Chinese president will, along with some other world leaders, review a veterans' parade Tuesday morning and attend an opening ceremony of a memorial museum in the afternoon.

He is scheduled to fly home Tuesday night.

#### Yeltsin Praises Veterans

OW0805163695 Beijing XINHUA in English  
1618 GMT 8 May 95

[FBIS Transcribed Text] Moscow, May 8 (XINHUA) — Russian President Boris Yeltsin today described the victory over the Nazi Germany in World War Two as "a symbol of courage, patriotism and selflessness."

Addressing World War Two veterans in the Kremlin at a meeting marking the 50th anniversary of Victory Day, the Russian president stressed that the "outcome of the war and the fate of humankind were decided on the Soviet-German front."

He said that Russia does not divide World War Two into "ours" and "theirs," into a war in Europe, Asia and

Northern Africa. "The breath of war" burned over 60 countries and plunged hundreds of millions of people into the abyss of grief and misfortune, he added.

"We lost 26,540,000 people" in the war, the president noted, citing the latest and corrected figures.

Yeltsin described the people as "the real winner and the hero of that Victory." However, he gave credit to the then Soviet Leader Josef Stalin, British Prime Minister Winston Churchill, U.S. President Franklin Roosevelt and French President Charles de Gaulle.

The Allies provided increasingly growing material and technical support for the anti-Hitler coalition since the summer of 1941 that led to the landing of the Allied troops in Normandy, northern France, in June 1944 and the opening of the second front in Europe.

Yeltsin also said that "the military and political mechanisms which were created in the past for certain purpose cannot solve the problems of today."

Today as never before, he noted, the world leaders should remember the lesson of the foreign policy of the 20th century: discrimination and bloc isolation will sooner or later lead to wars and balancing on the brink of the nuclear abyss.

Chinese President Jiang Zemin and leaders from more than 50 other countries attended the meeting.

#### Northeast Asia

##### Liaoning Governor Meets DPRK Delegation

SK0805140795 Shenyang LIAONING RIBAO  
in Chinese 26 Mar 95 p 1

[FBIS Translated Text] At 1730 on 25 March, leading comrades including Wen Shizhen, Xu Wencai, Gao Guozhu, and Xu De cordially received at the Liaoning Youyi Guest House in Shenyang all comrades of the North Pyongan Provincial delegation of the DPRK headed by Kim Hak-pong, responsible secretary of the provincial Workers Party of Korea (WPK) committee. During the reception, both sides relived their friendship amid a fraternal and friendly atmosphere and highly praised the Sino-Korea friendship. Wen Shizhen, on behalf of the Liaoning Provincial Party Committee and the provincial people's government, first extended a welcome to the visit paid by the Korean honored guests. He stated: The two parties of CPC and WPK, the two countries of the PRC and DPRK, and the people of the two countries are enjoying the great friendship personally established by the elderly proletarian revolutionaries. Under the support and concern shown by the two parties and the two governments of the two countries, the current friendship and cooperative relations between

the people of the two countries have been continuously consolidated and have achieved development. For this, we are very gratified and will doubly treasure them. Hereafter, we will make all-out efforts as we did before to develop the friendly and cooperative relations between the PRC and the DPRK. Kim Hak-pong first extended congratulations to Wen Shizhen on being elected as governor of Liaoning. He stated: As soon as we were setting foot on the beautiful land of the PRC, we immediately found the profound sentiment of friendship between the two parties and the two peoples of our two countries. Hereafter, along with Chinese comrades, we are willing to further cherish and develop the friendship of the DPRK and the PRC. Pyongan and Liaoning Provinces are close neighbors facing each other across the river. Further developing the friendly and cooperative relations between the DPRK and the PRC represents a common duty undertaken by the two provinces.

After the reception, Governor Wen Shizhen hosted a banquet in honor of the Korean honored guests. Sui Xudong, director of the Liaoning Provincial Foreign Affairs Office, attended the banquet to help entertain the guests.

#### **Prime Minister Yi Departs Seoul for Beijing**

##### **Begins 7-Day Official Visit**

OW0905062495 *Beijing XINHUA in English*  
0604 GMT 9 May 95

[FBIS Transcribed Text] Seoul, May 9 (XINHUA) — South Korean Prime Minister Yi Hong-ku left here on Tuesday [9 May] afternoon for Beijing on a week-long official visit to China at the invitation of Chinese Premier Li Peng.

Yi is the first South Korean prime minister to visit China since the two countries established diplomatic relations in August 1992.

During his visit, Yi will meet Chinese President Jiang Zemin, Premier Li Peng and Chairman of the Standing Committee of the National People's Congress (NPC) Qiao Shi, according to officials here.

Both sides will discuss ways to promote bilateral cooperation in the fields such as economy and culture, the officials said.

In an interview with resident Chinese correspondents here on May 3, Prime Minister Yi expressed the hope that his China visit will strengthen the friendship, deepen the understanding and promote the cooperative relations between the two countries.

Finishing his officially scheduled visit to Beijing, Yi will tour other Chinese cities of Xian and Shanghai.

#### **Arrives in Beijing**

OW0905065895 *Beijing XINHUA in English*  
0643 GMT 9 May 95

[FBIS Transcribed Text] Beijing, May 9 (XINHUA) — Prime Minister Yi Hong-ku of the Republic of Korea (ROK) arrived here today for a six-day official visit to China, at the invitation of Chinese Premier Li Peng.

This is the first China visit by the ROK Prime Minister.

During his stay in Beijing, Yi will hold talks with Premier Li Peng and meet other Chinese leaders. Yi is also expected to attend the annual meeting of the Asian Society of the United States.

#### **ROK President Kim Meets XINHUA President**

OW0905101795 *Beijing XINHUA in English*  
0737 GMT 9 May 95

[FBIS Transcribed Text] Seoul, May 9 (XINHUA) — South Korean President Kim Yong-sam said here today he is satisfied with the present friendly relations between South Korea and China and believed that such relations will develop further.

Kim made the remarks at a meeting with Guo Chaoren, President of China's official XINHUA NEWS AGENCY, in the presidential house.

The friendly and cooperative relations between South Korea and China have been developing rapidly, the bilateral trade volume rising sharply and the exchange of visits increasing greatly, particularly the visits of leaders, since the two countries established diplomatic ties in 1992, he said.

Kim said that he visited China and Chinese Premier Li Peng visited South Korea last year. Qiao Shi, Chairman of the Standing Committee of the National People's Congress (NPC) of China paid a visit to South Korea in the first half of this year and South Korean Prime Minister Yi Hong-ku left here for China today on a week-long visit.

The high-level exchange of visits has deepened the understanding and played a great role in developing the friendly and cooperative relations between the two countries, he noted.

Guo arrived here on May 6 to preside over the 16th executive board meeting of the Organization of Asia-Pacific News Agencies (OANA) and to pay an official visit to South Korea at the invitation of South Korea's YONHAP NEWS AGENCY.



**Comparison to Murayama's Beijing News Conference**

OW0505024195

Beijing XINHUA Domestic Service in Chinese at 0818 GMT on 4 May carries a 1055-character report on Japanese Prime Minister Murayama's 4 May news conference in Beijing headlined "Further on News Conference" published in the 4 May China DAILY REPORT on page 17.

The Chinese version has been compared to the XINHUA English version and was found to contain the following variations.

Page 17, column one, paragraph three, only sentence reads: ...Visiting Japanese Prime Minister Tomiichi Murayama said Japan is determined, on the basis of mutual trust, to work together with China and other Asian countries in promoting "the joint task for Asia's prosperity and peace...(adding "Asia's").

Column one, paragraph four, only sentence reads: ...Speaking at a press conference here this morning, he said that in order to build mutual trust with neighboring Asian countries and those elsewhere, "it is imperative for Japan to squarely face the history of our relationship with them and understand it correctly."...(adding "Asian").

Column two, paragraph one, only sentence reads: ...He went on to say that the Japanese people are determined to create world peace and are well schooled in this regard during the 50 years since the war, adding that he believes that the Japanese people will learn from history and prevent a repetition of past events...(adding "during 50 years since the war").

Column two, paragraph three, only sentence reads: ...In his role as prime minister, he said, "I was the first to visit the Lugou Bridge since the end of the war, and it is my main goal to help the Chinese people better understand the Japanese people's feelings," adding that this is meaningful and treasurable...(rewording).

Column two, paragraph four, only sentence reads: ...He further said that he would like to develop friendly and cooperative relations between the two countries in the future on this basis of mutual understanding...(rewording).

Column two, paragraph five, only sentence reads: ...On Taiwan's participation in the APEC summit meeting scheduled for November this year in Osaka, the Prime Minister said that the APEC meeting plays an important role in promoting economic development in the Asia-Pacific region, and Japan will follow the principle practiced at the Seattle meeting in the United States and

the Bogor meeting in Indonesia, in so far as Taiwan's participation is concerned...(adding "principle practiced at").

Column two, paragraph seven, only sentence reads: ...The appreciation, however, offers opportunities for increased Japanese investment in China, he noted, saying that he hopes that Japan and China can increase their mutual understanding and cooperation... (rewording and adding "mutual").

**Correction to Answers Questions**

OW0505074695

The following correction pertains to the item headlined "Answers Questions," published in the 4 May China DAILY REPORT on page 15:

Page 15, column two, last paragraph, sentence two make read: ...I mentioned earlier, our remorse over our past acts of aggression... (adding words and rewording)

**Southeast Asia & Pacific****Qiao Shi Meets Laotian Counterpart**OW0805150995 Beijing XINHUA in English  
1450 GMT 8 May 95

[FBIS Transcribed Text] Beijing, May 8 (XINHUA) — Qiao Shi, chairman of the Standing Committee of the Chinese National People's Congress (NPC), voiced the hope today that friendship and co-operation between China and Laos will show new growth in the days to come.

Qiao, meeting with his Laotian counterpart, Saman Vignaket, and his party at the Great Hall of the People here this afternoon, said that China and Laos are good neighbors joined by common rivers and mountains and the friendship between the two peoples dates back to ancient times.

"In recent years, the friendly co-operation has shown development in all areas, and the two parliaments have maintained their friendly contacts," Qiao said.

He expressed the belief that Saman's visit will contribute to Laotian people's and to the parliament's understanding of China and help promote friendship and co-operation between the two countries and two peoples.

Outlining China's domestic situation and foreign policy, Qiao said that his country seeks peaceful and friendly co-operation with all countries, and its neighbors in particular, on the five principles of peaceful co-existence. "China needs a favorable international environment for



its domestic stability and rapid economic growth," Qiao noted.

Saman, who is president of the National Assembly of Laos, and his party came to China on May 5 at the invitation of the NPC's Standing Committee. Prior to coming here, they toured Yunnan Province and Shanghai.

"The warm reception we have received here demonstrates the close ties between our two peoples," Saman told Qiao.

Saman said that the visit is designed to further help the "very good" relations between the two countries, and at the same time, to draw on China's successful experience in economic development and legislation.

After the meeting, Qiao hosted a banquet for the Laotian visitors.

**Vice President Meets Lao National Assembly Head**  
OW0905091895 Beijing XINHUA in English  
0823 GMT 9 May 95

[FBIS Transcribed Text] Beijing, May 9 (XINHUA) — Chinese Vice-President Rong Yiren met with Saman Vignaket, president of the National Assembly of Laos, and his party here today.

In the meeting, Rong said China and Laos are good neighbors joined by common rivers and mountains, and the bilateral cooperation in political, economic, cultural and other areas has shown good development in recent years.

He spoke highly of the Laotian people's achievements in developing their economy and improving their living standards under the leadership of the Lao People's Revolutionary Party.

China and Laos share the tasks and aspirations of developing national economies and raising people's living standards, Rong said, adding, "It is our hope that our contacts and cooperation will be augmented for the common good of our two economies."

There exists great potential in Sino-Laotian cooperation in the field of economy and trade, Rong said.

Saman noted the warm reception he and his party have been accorded here in China, which, he said, embodies the friendly ties between the two countries.

The visit is aimed at further enhancing the bilateral friendly cooperation and the friendship between the two peoples, he said, adding that he and his party also hope to learn from China.

Saman said his country has been following closely China's reform and opening up processes, and feels pleased with China's achievements.

"We hope that more Chinese entrepreneurs will come to invest in our country, and bring our economic and trade ties even closer," Saman said.

**Hu Jintao Meets New Zealand Delegation**  
OW0805135995 Beijing XINHUA in English  
1253 GMT 8 May 95

[FBIS Transcribed Text] Beijing, May 8 (XINHUA) — Hu Jintao, a standing committee member of the Political Bureau of the Communist Party of China (CPC) Central Committee, said here today that China wishes to develop ties with New Zealand based on mutual benefits.

Hu, also a member of the Secretariat of the CPC Central Committee, made the remark during a meeting with a delegation of parliament members from the New Zealand Labor Party here this afternoon.

Hu, while extending a warm welcome to Koro Wetere, M.P. from the Labor Party and leader of the delegation, said that China and New Zealand opened diplomatic ties in 1972 when the Labor Party was in office.

Hu said that he felt pleased that bilateral ties have grown steadily and that exchanges and co-operation have expanded in every field over the years.

China, as a developing country, is concentrating its effort on modernization, he said, and added, "We hope for a peaceful international environment and will keep eyes on the future together with our New Zealand friends and further bilateral friendly cooperative ties on the basis of mutual benefits."

Wetere said that he was astonished by the tremendous changes that have taken place in China.

Both New Zealand and China can co-operate in many aspects and the New Zealand Labor Party will make efforts to promote bilateral relations, he said.

The delegation came as guests of the Chinese People's Institute of Foreign Affairs.

### Near East & South Asia

**Iranian Vice President Previews Beijing Talks**  
OW0805140595 Beijing XINHUA in English  
1315 GMT 8 May 95

[FBIS Transcribed Text] Tehran, May 8 (XINHUA) — Iran and China will explore new areas of economic co-operation in the forthcoming high-level bilateral meeting in Beijing later this month, said Vice-President Hamid Mirzadeh here Sunday [7 May].

While meeting Chinese Ambassador to Iran Hua Liming, the vice-president said the 8th session of China-Iran joint commission of cooperation in economy, trade, science and technology will be held from May 22 to 25.

Mirzadeh said officials of the two governments will review the bilateral relations and explore new areas for further cooperation. The two sides will also discuss specific projects such as the Tehran subway and cement and glass plants.

The vice-president said he had already made a report on the bilateral economic relations between Iran and China at a cabinet meeting presided over President 'Ali Akbar Hashemi-Rafsanjani.

The Iranian president has already made instructions to take effective measures to accelerate economic and trade cooperation between the two countries, the vice-president said.

The mutual relations between Beijing and Tehran, Mirzadeh said, have entered a new sensitive phase, and joint projects are under implementation through mutual cooperation.

In the meeting, Mirzadeh also referred to Tehran-Beijing cooperation in economic and trade fields and called for expansion of scientific and technical cooperation.

He said a separate committee has been proposed for scientific and technical cooperation which is an indication to the overall expansion of bilateral ties and mutual cooperation.

Mirzadeh expressed satisfaction over the achievements of the 7th joint commission.

#### **Agro-Economic Cooperation With Israel Planned**

*OW0805140495 Beijing XINHUA in English  
1329 GMT 8 May 95*

[FBIS Transcribed Text] Beijing, May 8 (XINHUA)—Chinese Vice-Minister of Agriculture Wan Baorui said at a meeting aimed at enhancing Sino-Israeli agro-economic cooperation held here today, that China has had some great achievements in the area of agriculture.

Speaking at the China-Israeli Agrobusiness Cooperation Seminar, sponsored by the Israeli embassy and the Israel Agriculture Desk, Wan said that with only 7 percent of world's total land area, China has solved the problem of feeding 22 percent of the world's population.

However, he continued, with an increasing population and decreasing land, China's agriculture is facing a serious challenge.

Wan expressed the hope that all nations, including Israel, will come to invest in China, especially in agricultural projects such as comprehensive development, improving medium- or low-yield farmland, and the construction of grain bases.

Ya'akov Tzur, visiting Israeli Minister of Agriculture, told reporters during the seminar that cooperation between the two countries has been on the rise since last year.

He said that Israel, being a semi-desert, arid country, has developed unique technology for tackling drought and lack of water. Therefore, agricultural science and technology are a good basis for Israeli-Chinese cooperation.

At present, Tzur continued, there is growing interest in developing ties with China in Israel's private sector. The government is also ready to guarantee financial support to investment in China.

According to a report, Israel has just started a pilot farm in Beijing, in addition to having set up a Sino-Israeli Training Center at Beijing University, for promoting agricultural technology and exchanges.

Present at the one-day seminar were representatives of 16 Israeli agriculture companies specializing in greenhouses, irrigation, seed production, food processing, and other areas, who were introducing agricultural technology and facilities, and held discussions with their Chinese counterparts on possible cooperation.

#### **State Councillor Song Meets Israeli Minister**

*OW0805143895 Beijing XINHUA in English  
1424 GMT 8 May 95*

[FBIS Transcribed Text] Beijing, May 8 (XINHUA)—Chinese State Councillor and Minister in charge of the State Science and Technology Commission Song Jian met here this afternoon with visiting Israeli Minister of Agriculture Ya'akov Tzur.

Song said that since China's Minister of Agriculture Liu Jiang visited Israel in 1993, laying a good foundation for bilateral agricultural cooperation, Sino-Israeli agricultural cooperation has had great achievements.

Expressing his pleasure over a ribbon-cutting ceremony scheduled for tomorrow for the Sino-Israeli Cooperative Demonstration Farm in Beijing's Tongxian County, Song said that the establishment of the farm is an important symbol of bilateral cooperation.

He said further that bilateral agricultural cooperation is conducive to deepening the friendship between the two peoples and building friendly relations.

Expressing the opinion that his current visit here demonstrates the continuous development of friendly relations, Tzur said that Israel attaches importance to its relations with China, and agriculture is an important field for bilateral cooperation.

Chinese Minister of Agriculture Liu Jiang was present at the meeting.

Tzur is here at the invitation of China's Ministry of Agriculture with an entourage that includes 19 Israeli businessmen involved in agriculture.

### West Europe

**Spokesman: EU To Delink Human Rights, Trade**  
*HK0905091295 Hong Kong EASTERN EXPRESS*  
*in English 9 May 95 p 2*

[By Nick Squires]

[FBIS Transcribed Text] The European Union will bolster trade links with China despite the mainland's abysmal human rights record, the EU's representative in Hong Kong said yesterday.

Etienne Reuter confirmed a report last month, based on a secret draft document, which said that the EU would follow the example of the United States in "delinking" human rights issues from trade.

Reuter said the 15 nations of the EU must race to catch up with Japan and the United States in the bid to secure trade with China.

"We cannot accept the idea that we should cut trade links because we feel uncomfortable with the human rights situation," he said.

Human rights activists in the West have called for the Europeans to take over responsibility for making trade conditional on an improvement in China's human rights record.

But Reuter said that European businessmen would not accept such conditions, which would put them at a disadvantage compared to the American business community.

The EU has traditionally been outspoken on China's human rights policy, but has watered down its demands in a new strategy for Asia, expected to be announced this year.

Reuter said China could not be expected "to take lessons dictated by Europe".

"You have to be pragmatic."

He said the EU would continue to monitor the human rights situation through "a system of contact with senior officials".

"China has come to the table and has not refused to hear our views. We will now have to see how this can be taken further," he said.

Reuter said China should aim to develop "a transparent legal system" to ensure basic human rights.

"I am not saying we are very close to this, but the kind of dialogue we have initiated is certainly promising," he said.

Reuter's comments were in line with the contents of a document prepared for a meeting of heads of state of EU countries held in Germany in December.

The document stated that policy on human rights for Asia "should be inspired by the assumption that economic development could bring about the progressive construction of civil society and thus improve the exercise of human rights".

The EU wanted to see China as "a normal member of international society", Reuter said, although there were "concerns" about China's abuse of human rights.

Reuter echoed the EU's new, less idealistic policy towards China. "China is such a fantastic market that nobody wants to be out of it. The European Union is very keen to catch up and do more in China."

The EU had committed US\$7.3bn (HK\$56bn) worth of investments to China by the end of 1993, putting it well behind Japan, with US\$9bn, and the U.S., with US\$15bn.

Hong Kong is the EU's eighth biggest trading partner, and half the trade between the EU and China passes through the territory.

### XINHUA 'News Analysis' on Chirac Victory

*OW0805140695 Beijing XINHUA in English*  
*1328 GMT 8 May 95*

["News Analysis: "Chirac Faces 'Third Round' of Challenges"]

[FBIS Transcribed Text] Paris, May 8 (XINHUA) — Conservative Paris Mayor Jacques Chirac Sunday [7 May] won the 1995 French presidential election by getting 52.67 percent of the vote.

Chirac's victory in the election showed that the right wing is stronger than the left on the present-day French political arena. It also marks the end of Francois Mitterrand's period which has lasted 14 years.

However, the President-elect, who will take over from Mitterrand around May 15, is faced with strenuous tasks both domestically and internationally.



Chirac, 62, won his narrow election victory over Socialist opponent Lionel Jospin, who got 47.33 percent of the ballots, largely by professing "reformism" in his campaign platform, an idea much catering to the population, who are seeking to extricate the nation from the socio-economic crisis the country is in.

Hence, even before the first round of the presidential election, the left had warned that if any right-winger was elected president, he would have to meet a "third round" of challenges that include heavy unemployment and a great deal of other internal and external issues.

The economy is showing an upturn after experiencing the severest post-war recession in 1993. Yet the situation has little to be happy about.

Since February this year, workers of many sectors have gone on strike for higher wages, or a "share of the fruit of the economic recovery," adding to the struggles staged by the poor and the jobless.

Statistics show that in France, 3.3 million people are unemployed, five million living below the poverty line, and more than 400,000 homeless.

Meanwhile, financial deficits had remained high, with the 1994 figure equivalent to six percent of the gross domestic product (GDP); the deficit of social welfare reached 110 billion francs (about 22 billion U.S. dollars); and national debt was over 3 trillion francs (600 billion dollars) which amounted to nearly 60 percent of the GDP.

It was precisely in view of such a grim situation that Chirac's campaign platform stressed measures to solve issues like unemployment and "social exclusion" as top priorities of his seven-year tenure. He also pledged to continue privatization to cut the state financial deficit. But only time will tell whether his measures will be successfully carried out.

During the electioneering, Chairman of the ultra-right National Front Jean-Marie Le Pen preached a "France belonging to the French people." He advocated the solution of serious unemployment by "repatriating immigrants."

Le Pen also attributed the bad public security situation in France to immigrants, and suggested raising the monthly minimum net income of the people by less than 5,000 francs (1,000 dollars) to 7,000 francs (1,400 dollars).

In the first round of the presidential election, Le Pen won 15 percent of the vote. This showed that Le Pen's influence is spreading, even if not all of his supporters are in favor of his antiforeignism.

How to cope with the ultra-right force while trying to meet the demands of its low-income supporters will be a great hardship for Chirac.

Chirac stated that giving impetus to the building of the European Union (EU) is his first priority in foreign affairs.

Under the Maastricht Treaty, Europe should achieve currency unification in 1997-1999, and for this reason EU member states have to reduce their national deficits to a level equivalent to less than three percent of their respective GDP.

It is difficult for Chirac to bring down France's deficit, now standing at six percent of the GDP, to that required level without affecting the national economic growth and the implementation of the policy of creating more jobs.

France's unemployment rate, 12 percent, is the highest in the leading industrialized nations.

The EU summit scheduled to open in Cannes, France, in June will focus on EU institutional reform, EU expansion and the Bosnian issue. In respect of European construction, there has always been an influential opponent force in France. On Bosnia, the French government has more than once threatened to withdraw its 4,000 peace-keepers stationed in that war-torn territory since the conflicts there have not been resolved peacefully.

As the rotating EU chairman, Chirac will have to make a quick decision on whether French peace-keeping troops will pull out of Bosnia.

Celebrating his victory in the presidential race last night, Chirac said he has sensed the "difficult tasks" lying for him ahead. He vowed that he and his cabinet will do their utmost to meet the strenuous "third round" of challenges.

#### Wu Yi Meets Greek Minister, Invites Investment

OW0905054795 Beijing XINHUA in English  
1828 GMT 8 May 95

[FBIS Transcribed Text] Athens, May 8 (XINHUA) — A senior Chinese official today called on Greek investors and businessmen to invest in China and to make efforts to promote trade relations between the two countries.

Chinese Minister of Foreign Trade and International Cooperation Wu Yi, who arrived here on Saturday [6 May] with a trade delegation for a four-day official visit, briefed more than 100 Greek business figures and senior government officials at a meeting on China's achievements since the adoption the policy of reform and opening-up in 1978.



Wu Yi said China's policy of opening-up is all-dimensional and the large market of China is open to Greece as well.

"You should enter the Chinese market with a more active and positive manner", She said, noting that so far there were only four Greek-invested projects in China with a value of some 80,000 U.S. dollars while by the end of 1994, more than 150 countries and regions had made investments in China with a total value of 95.5 billion U.S. dollars.

Wu assured Greek businessmen of more favorable policies from China, with a focus on such sectors as service, trade, energy, agriculture, transportation, raw material industries and high-tech industrial projects.

The Chinese minister also expressed satisfaction over the gradual development of trade between the two countries and hoped her visit would give an impetus to the growth of trade and economic cooperation between China and Greece.

The trade ties between the two countries has improved over the past few years. The volume of bilateral trade in 1994 reached 158 million U.S. dollars, which represents an 8 percent increase over the previous year.

Wu also promised that China would import more Greek products to balance the bilateral trade which is now in China's favor.

She said, a contract on purchasing Greek fertilizer is expected to be signed on Tuesday after her talks with Greek National Economy Minister Ioannis Papandoniou. China is also ready to import leather from Greece, the Chinese minister added.

Delivering his speech at the meeting, which was organized by the Athens Chamber of Commerce and Industry, Papandoniou praised with admiration the high-speed development of China's economy. He said, Greece, as a member of the European Union (EU), attaches great importance to the development of relations between the two countries and would like to make every effort to promote relations between China and EU.

Greece is Wu's last leg in her current European tour, which has already brought her to Spain, Portugal, Ireland and Switzerland. She is expected to leave Athens for China on Wednesday.

## Political & Social

### Continuing Coverage of NPC Standing Committee

#### Committee Briefed on Draft Laws

OW0605112495 Beijing XINHUA Domestic Service  
in Chinese 1149 GMT 5 May 95

[FBIS Translated Text] Beijing, 5 May (XINHUA) — The National People's Congress [NPC] Law Committee submitted reports on the results of its deliberation of three draft laws to the 13th meeting of the Eighth NPC Standing Committee that opened today. Law Committee Vice Chairmen Li Yining, Cai Cheng, and Xiang Chunyi today delivered separate reports on the results of deliberation of the draft laws regarding commercial banks, reserve officers, and negotiable instruments.

On the draft commercial banks law, Li Yining said: The Eighth NPC Standing Committee ninth and 11th meetings deliberated the draft commercial banks law. The Law Committee held meetings on 11 and 12 April to deliberate the draft law's revised version in light of suggestions made by Standing Committee members and the Financial and Economic Committee after their deliberations, as well as suggestions made by other departments. In the Law Committee's opinion, the commercial banks law is an important statute that aims to preserve financial order and promote socialist market economic development. It is imperative to formulate the law if the legitimate rights and interests of commercial banks, depositors, and other customers are to be protected and if the commercial banks' steady operations are to be ensured. While the Law Committee considers the draft law basically feasible after the introduction of several amendments, it would like to suggest amendments to the revised version submitted to the current Standing Committee meeting for deliberation.

Li Yining said: Some committee members and departments suggested that since the freezing of bank savings has a direct impact on depositors' living and working conditions, it should be regulated by law rather than by administrative rule. Inquiries regarding personal savings accounts should be strictly limited because they affect banks' efforts to keep depositor information confidential. Therefore, it is suggested that the draft law be amended to read: A commercial bank "has the right to reject the request of any unit or individual for inquiring about, freezing, or deducting or transferring savings deposits unless provided for by law." "Except where it is provided for by law or administrative rule, a commercial bank has the right to reject the inquiry of any unit or individual regarding another unit's bank savings. Unless provided for by law, a commercial bank has the

right to reject the request of any unit or individual for freezing or deducting or transferring another unit's bank savings."

He said: Some committee members and departments noted that financial institutions include trust investment companies, securities companies, and all kinds of financial agencies that have yet to be standardized by law. To permit a commercial bank to invest in a trust investment company that, in turn, may invest in an enterprise, is to permit a commercial bank to indirectly invest in a non-financial institution; this is not conducive to controlling the scale of capital construction and protecting depositors' interests. To permit a commercial bank to invest in a securities company is not conducive to separating the management of the banking and securities sectors. In the current situation, therefore, commercial banks should be prohibited from investing in enterprises (including non-banking financial institutions). It is suggested that the draft law be amended to read: "A commercial bank may not engage in trust investment or stock businesses in the country; nor shall it be permitted to invest in real estate not for its own use. A commercial bank may not invest in nonbanking financial institutions or enterprises in the country. The State Council shall formulate separate implementation procedures regarding commercial banks that invested in nonbanking financial institutions and enterprises in the country before this law takes effect."

On the draft reserve officers law, Cai Cheng said: Following the preliminary deliberation of the draft reserve officers law by the 12th meeting of the Eighth NPC Standing Committee, the Law Committee and the NPC Standing Committee Legislative Affairs Commission held a forum and forwarded copies of the draft to various provinces, autonomous regions, and municipalities, as well as central departments concerned, to seek their opinions. The Law Committee held meetings on 13 and 28 April, during which it deliberated the draft in light of suggestions made by Standing Committee members following their deliberations, as well as suggestions made by various localities and relevant departments. In the Law Committee's view, it is essential to formulate the reserve officers law if the reserve officer system is to be strengthened, the state system for mobilizing the armed forces is to be improved, and reserve forces for national defense are to be augmented. While the draft law is basically feasible, the Law Committee would like to offer suggestions for its amendment.

Cai Cheng said: The draft law is entitled, "The Chinese People's Liberation Army Reserve Officers Law." Some committee members and localities noted that all documents labeled "laws" and examined and approved by the NPC Standing Committee carry the characters

for "the PRC." The military and localities fall under the scope of amendments to this law. The law's relevant clauses need to be enforced by local people's governments at all levels and relevant departments. Therefore, it is suggested that the name of the law be changed to, "The PRC Law on Reserve Officers."

He said: Some localities suggested that specific clauses be introduced separately to mete out punishment in the event reserve officers are obstructed in their performance of military service. Accordingly, it is suggested that the draft law be amended to read: "Where bribery, graft, or negligence of duty in the course of exercising management over reserve officers causes serious damage to reserve service, the offenders shall be brought to account on criminal grounds if their actions constitute crimes; they shall be given disciplinary action in accordance with the law if their actions do not constitute crimes." "Local people's governments shall mandate corrective actions if reserve officers are prevented from taking part in military training, performing military duties, or discharging other assignments related to their military service; the individuals directly responsible shall be given disciplinary action in accordance with the law if they refuse to take corrective actions."

On the draft negotiable instruments law, Xiang Chunyi said: Following the preliminary deliberation of the draft negotiable instruments law by the 12th meeting of the Eighth NPC Standing Committee, the Law Committee and the Legal Affairs Commission printed and distributed copies of the draft to CPC Central Committee and State Council departments, various localities, and relevant financial institutions and research institutes to extensively canvass their opinions. They held meetings on 17, 20, and 28 April, during which they deliberated the draft law in light of suggestions made by Standing Committee members, the Financial and Economic Committee, local governments, relevant departments, and experts. In the Law Committee's view, negotiable instruments are being used more extensively as the market economy's development in China has led to a surge in trading activity and a swift cash flow. They have played a positive role in accommodating the requirements of economic contacts, in defining the relations between creditors and debtors, and in improving the efficiency of using funds. However, the circulation of negotiable instruments is bedeviled by disorder, lax management, lack of honor, and even fraud. In light of these problems, we now badly need a law to standardize activities pertaining to negotiable instruments; to give greater scope to the role of such instruments as the means of payment, account settlement, exchange, and credit; to protect the legitimate rights and interests of the parties to negotiable instruments; to prevent and combat illegal and criminal

activities related to negotiable instruments; to safeguard socioeconomic order; and to promote socialist market economic development. While the draft negotiable instruments law is basically feasible, the Law Committee would like to offer suggestions for its amendment.

Xiang Chunyi said: Many financial institutions and enterprises drew our attention to the substantial number of bad checks that are being issued. Poor credit ratings for checking accounts, lax screening procedures, and the indiscriminate issuance of checks constitute the main causes of this state of affairs; and they have affected the normal usage and reputation of negotiable instruments. Therefore, it is suggested that the following clauses be added to the draft law: "In opening a checking account, the applicant must use his or her true name and submit legal identity papers"; "A checking account shall be opened and checks drawn on the basis of creditworthiness, and a certain amount of money shall be deposited"; and, "In opening a checking account, the applicant shall retain samples of his or her signature and seal." The following additional clauses should also be introduced: "The amount filled in by a check writer may not exceed the amount of money actually deposited with the payer at the time of payment"; "Where the amount filled in by a check writer exceeds the amount of money actually deposited with the payer at the time of payment, the check in question constitutes a bad check. The issuance of bad checks is forbidden."

Speaking of legal responsibility, he said: Many local governments, departments, and judicial governments pointed to the frequent incidence of fraud pertaining to negotiable instruments, with the direct involvement of some employees in financial institutions. To crack down hard on fraud related to negotiable instruments, it is suggested that the following clauses be added: Those "who issue cashier's checks and money orders without any reliable sources of income in an attempt to obtain money fraudulently" or those "who use others' negotiable instruments without permission or deliberately use expired or voided negotiable instruments to obtain financial resources fraudulently shall be brought to account on criminal grounds in accordance with the law." "Financial institution employees who are involved in fraud related to negotiable instruments shall be given stiff punishment in accordance with the law." Some Standing Committee members, local governments, and departments noted that some financial institution employees neglect their duties and make payments in violation of relevant regulations and laws on negotiable instruments that should not be cashed, thus causing heavy losses to the parties concerned; on the other hand, they often intentionally withhold or delay payments on negotiable instruments that should be cashed promptly.



The draft law should contain relevant clauses to address this problem. Therefore, it is suggested that the following clauses be added: "Financial institution employees who neglect their duties in the business of negotiable instruments and accept, make payments on, or provide guarantees for negotiable instruments in violation of the provisions of this law shall be given disciplinary action; they shall be brought to account on criminal grounds if they cause serious losses and their actions constitute crimes"; "Where the parties concerned suffer losses as a result of the actions of financial institution employees mentioned in the preceding paragraphs, the financial institutions in question and the persons directly responsible shall undertake to compensate for the losses in accordance with the law." "Financial administrative departments shall fine the payers of negotiable instruments who deliberately withhold or delay payments on checks payable at sight or maturity; they shall mete out disciplinary action to the persons directly responsible"; and, "Payers of negotiable instruments who inflict losses on the bearers of such instruments by deliberately withholding or delaying payments shall undertake to compensate for the losses in accordance with the law."

#### Lawmakers Call For Supplement

OW0805142695 Beijing XINHUA in English  
1413 GMT 8 May 95

[FBIS Transcribed Text] Beijing, May 8 (XINHUA) — In deliberating on a draft of penalties for those who contravene financial practice, China's lawmakers said today that a supplement to the criminal law is crucial in controlling the chaotic financial situation.

They expressed their opinions on increasing punishments and specifying penalties for different crimes.

The draft decision, submitted to the current session of the 13th session of the National People's Congress (NPC) Standing Committee last Friday [5 May], stipulated that the counterfeiters could face death sentences if it involved an extraordinary amount of illicit money causing dire problems.

The maximum punishment for other financial crimes could be life imprisonment, it said.

Peng Qingyuan, member of the Standing Committee, said that forged money causes severe damage to the state and the people, and should be stopped by using the threat of a death sentence.

He said that punishments of bank staff members involved in financial crimes have not been strong enough, and should be further examined in the decision making.

Another lawmaker, Li Keqiang, said that since corruption and embezzlement are often related to fraud cases,

punishments for those crimes should be added to the penalties for financial crimes.

Nie Li and Xia Jiajun said that the decision should also be made that bank employees committing financial crimes can never again be hired by financial institutions.

Most of the lawmakers proposed that there be a specific and detailed definition of the severity of crimes and punishments for them.

The terms of "large amount" or "extraordinarily large amount" of illicit money, and the level of severe consequences should be expressed in specific amounts and clearer language, they said.

"This will make law-enforcement easier," said Chen Muhua, vice-chairman of the NPC Standing Committee.

On the death penalty, lawmaker Liu Suinian had something different to add. "Strict punishment for crimes is correct in legislation but the death penalty should be restricted and limited to a certain scope," he said, adding that the key to curbing crimes lies in a comprehensive management system with fewer loopholes.

#### Hu Jintao Inspects Hebei, Shanxi, Henan

HK0805020695 Beijing XINHUA Domestic Service  
in Chinese 0428 GMT 17 Apr 95

[By reporter Jiao Ran (3542 3544): "During His Inspection of Rural Areas in Hebei, Shanxi, and Henan, Hu Jintao Stresses the Need To Effectively Strengthen Leadership Over the Building of Rural Grass-Roots Organizations"]

[FBIS Translated Text] Beijing, 17 Apr (XINHUA) — During his inspection of the building of rural grass-roots organizations in five counties at the juncture of Hebei, Shanxi, and Henan, Hu Jintao, member of the CPC Central Committee Political Bureau Standing Committee and member of the Secretariat, emphatically pointed out that the whole country will prosper if agriculture prospers, peasants will get rich if the country is strong, and the land will become stable if the countryside is stable. Leading party comrades at all levels who really pay attention to the agricultural, rural, and peasant problem, who really care for the overall situation of reform, development, and stability, and who are really enthusiastic for the cause of socialist modernization, must, by following the planning and requirements of the party Central Committee, make strenuous efforts to conscientiously engage in the building of rural grass-roots organizations and constantly promote this work.

From 9 to 16 April, successively accompanied by Hebei Provincial CPC Committee Secretary Cheng



Weigao, Shanxi Provincial CPC Committee Secretary Hu Fuguo, and Henan Provincial CPC Committee Secretary Li Changchun, Hu Jintao, who was travel-worn and weary, tramped up hill and down dale in areas around the Taiheng Mountains and inspected 18 villages in Cixian and Linzhang Counties in Hebei Province, in Pingshun and Yiguan Counties in Shanxi Province, and in Linzhou City in Henan Province. He visited peasant households, called on veteran party members wherever he went, and discussed with grass-roots cadres how to strengthen the building of rural grass-roots organizations with the core at party branches, how to bring into play the fighting-force role of party branches, how to unite with and lead peasants in accelerating the pace of breaking away from poverty, getting rich, and marching to a relatively well-off living standard, and how to steadfastly take the path of seeking common prosperity.

Nanlianhua Village and Zhonglianhua Village in Cixian County are adjacent to each other. With rapid economic development in recent years, the former's social order is good and its people have high morale, but the situation of the latter is completely different. In last August, Gao Junting, secretary of the Nanlianhua Village party branch, was sent by his fellow villagers to Zhonglianhua Village to act as secretary of the party branch there. By leading a group of people in doing hard work, he reinvigorated the grass-roots organizations and won popular support again, thus turning the village into an orderly place which started taking the path of faster development. Following his inspection of the two villages, Hu Jintao praised Gao Junting as a good party member and cadre. He also pointed out: The two villages are on the same land, so the key to explaining why there is such a big difference and why such great changes can happen lies in whether or not there is a good party branch and whether or not there is a good party branch secretary.

In the past few years, Huanzhangdi Village in Yiguan County became a famous backward village because of its incompetent and slack leadership. Li Youze, the new party branch secretary, "made four calls at the thatched cottage" and invited Liang Anzhong, an employee of the county foreign trade company, to go back to his own village, where Liang was elected director of the village committee. They devoted themselves wholeheartedly to official business and were united and cooperated with each other in dealing with the chaotic situation. After struggling for a period of time, the face of the village changed a lot. When Hu Jintao came to the village, Liang Anzhong and Li Youze tearfully reported to him their hard work. Hu Jintao was very happy after listening to it, and he said: "The experience here tells us: Among all the key points, the most crucial one is to have a good

leading group; among all the important things, the most important one is to promote our economy; and no matter how difficult it is, we will not fear any difficulties as long as we have popular support and do our work by pooling the wisdom and efforts of everyone.

Hu Jintao was very concerned about the recruitment of young party members. He repeatedly told leading comrades of local party committees and grass-roots cadres accompanying him on the inspection: "Training outstanding youth and recruiting them into the party is of great significance and is very pressing. As far as this issue is concerned, we must have a strategic insight and a sense of urgency." On the morning of 13 April, Hu Jintao said at Xigou Village in Yiguan County when calling on Shen Jilan, deputy to the National People's Congress and noted national model worker, and party members and cadres of the village: "The party branch of Xigou Village has a glorious revolutionary tradition and has made very great contributions in history. It has also made a new breakthrough since reform and opening up, so it deserves to be called a model of the building of mountain areas." He wished that while accelerating the pace of development and giving play to the role of veteran party members, Xigou Village would pay close attention to the training of young people so as to carry forward the fine tradition.

Wherever he went, Hu Jintao always inquired of the masses in detail about their production and living conditions and solicited their views on the party and the government. When seeing that some of the people in old revolutionary bases in Shanxi were still living in straitened circumstances, he urged local party and government leading comrades to be concerned about the well-being of the masses, to pay attention to their working method, and to integrate the building of rural grass-roots organizations with the work of helping the poor. During his inspection of the countryside in Linzhou City in Henan, Hu Jintao stressed that to fulfill the goal of attaining a relatively well-off living standard, we must insist on "doing two types of work simultaneously" and carry forward the spirit of Hongqiqu in painstakingly doing pioneering work.

At Dongjia Village in Linzhou City, after listening to a report presented by Ren Xiaoming, deputy captain of the working team stationed at the village, Hu Jintao fully affirmed the achievements scored by the working team in building a leading group of the party branch, in developing a collective economy, and in doing practical work for the masses. He said: The practical results of the reorganization and building of rural grass-roots organizations and the fulfillment of the desired goal depend, to a very large extent, on the quality of cadres going to the countryside and the quality of their work.

Party committees in various localities should strengthen their specific leadership and be concerned about the growth of cadres going to the countryside. Every cadre going to the countryside must take Comrade Kong Fansen as their model, take action to learn from the model hero, and regard the process of working in rural grass-roots units as a process of tempering their thinking, enhancing their abilities, training their style of work, and improving their party spirit. In doing their work, they must insist on taking the mass line, really go to the grass roots, live with households in the countryside, identify themselves with the masses, learn from the masses with an open mind, and serve the masses wholeheartedly.

On the basis of thoroughly inspecting rural grass-roots units, Hu Jintao called a forum of leading party committee comrades of relevant provinces and cities and of the five counties (cities) where he visited this time, and he also made an important speech at the end of the forum. He said: Viewed from the situation of the whole country, the work of strengthening the building of rural grass-roots organizations and rectifying backward villages started well and its development is healthy, and we have seen some initial results and have gained some initial experience. However, the development is uneven. Some local leaders have not yet paid enough attention to the work and do not have a good grasp of it because they do not implement any vigorous measures and do not work in a down-to-earth manner. Party committees in various localities, and in counties in particular, must further improve their understanding of the work, really put the task of accomplishing the building of rural grass-roots organizations on their agenda of work, have stronger leadership, and pay close attention to policy implementation.

Hu Jintao stressed that the guiding ideology of strengthening the building of grass-roots organizations and the "five good" requirement set by Central Party Committee are very clear and must be fully and correctly implemented. In doing our work, we must, first, insist on taking economic construction as the center and strive to implement, at the grass-roots level, the party's basic line and rural principles by centering on the work of uniting with and leading peasants in the march toward a relatively well-off living standard. We must guard against and overcome the tendency to pay sole attention to production while neglecting the building of grass-roots organizations, but we must also guard against and overcome the tendency to be divorced from economic construction and to grasp the building of grass-roots organizations for its own sake. Second, we must focus our work on key points and settle well the problems of building leading groups and widening the path of devel-

opment. We must accomplish the key of building leading groups and select those who are politically sound, who know how to manage business, who are impartial and upright, and who enjoy mass support; and we must, in particular, select suitable party branch secretaries. Moreover, we must arouse cadres and the masses to vigorously tap their potential, bring local superiority into play, find the right path for faster development, and develop and strengthen the village-level collective economy. In a village, if the problems of talent and money have been solved, other matters will be easy to handle. Third, we must insist on giving specific guidance and solve outstanding problems in a practical and realistic manner, particularly hot issues and difficult problems affecting local reform, development, and stability. Fourth, we must always integrate organizational consolidation with ideological education, so that we can not only bring into true play the fundamental and guiding role of ideological education and create favorable conditions for settling the practical problems in building grass-roots organizations, but we can also strengthen, improve, and deepen ideological education and upgrade the general political quality of party members in the process of settling practical problems.

Talking about the work of rectifying backward villages, Hu Jintao pointed out: This is a difficult problem in the current building of rural grass-roots organizations as well as a key point which must be seriously handled. We must guarantee the quality of work and strive for practical results. The actual conditions of backward villages are different, as are their underlying causes. Therefore, we must have a good grasp of the crux of the issue, suit the remedy to the case, pay close attention to the work, and really solve key problems, so as to change one by rectifying one and consolidate a group by rectifying a group. Never should we engage in formalism and do the work in a perfunctory manner.

**Jiang Orders Meetings of Army Factions Probed**  
*HK0905050495 Hong Kong EASTERN EXPRESS*  
*in English 9 May 95 p 1*

[By Bruce Gilley]

[FBIS Transcribed Text] The Chinese Party General Secretary, Jiang Zemin, has ordered an investigation into two meetings held by factions within the country's military which oppose his rule, threatening harsh punishment for any serving officers who attended.

The meetings, mostly attended by retired generals from central and southern regions, were used as a forum to air grievances against Jiang's heavy-handed attempts to command loyalty from the ranks, mainland military sources said.



Jiang ordered the probe last month after it emerged that some some local serving officers had also taken part.

The party's Central Military Commission (CMC) is investigating the meetings, which were held in the Guangdong province special economic zone of Zhuhai in mid-February and in the Hubei province capital of Wuhan in early March.

Any serving officers found to have taken part in the gatherings will be "strictly disciplined", according to a CMC circular issued in mid-April to all heads of military regions and departments of the People's Liberation Army (PLA) headquarters.

News of the meetings has filtered out from government sources in Wuhan, known as a traditional base of military opposition to the central government.

The Zhuhai meeting was attended by the former president, Yang Shangkun, whose family faction within the PLA was purged in 1992.

Yang is understood to have remained in Zhuhai for over a month following a high-profile visit to Shenzhen in mid-January. The city's mayor, Liang Guangda, missed two national meetings in Beijing to play host to his guest.

Among the retired senior PLA officers confirmed to have attended the Zhuhai gathering are Major-General Kong Qingde, the former commander of the now-defunct Wuhan military region, and Major-General He Jinnian, the former deputy commander of the PLA's armoured forces division.

Both men live in Shenzhen.

A source said participants at the meetings discussed the possibility that the PLA would "change colour" after the death of the patriarch, Deng Xiaoping.

"Their conclusion was that the question is not whether it will change colour, but by how much," the source said.

Jiang's so called "double-track" mechanism for controlling the army — stepped-up political indoctrination and tighter controls over army finances — is deeply resented by senior and retired generals.

The officers complained about the overt political activities of a CMC vice-chairman General Liu Huaqing, who has been touring the country recently telling the troops that "political and ideological building of the party and army should intensify".

Another gripe was Jiang's promotion of 19 officers to the rank of general last year on the sole criterion of their "being politically up to standard".

The clamp on PLA financial affairs, which intensified in January with new regulations on the auditing of PLA officers, businesses and arms purchases, has also caused unease.

"Jiang is used to grumbling from the old guard, but any signs that they may be attracting support from serving officers frightens him to death," a source familiar with the investigation said.

The source said that officials of the CMC, which Jiang heads, are particularly concerned about the apparent resurgence of a Wuhan-based PLA opposition movement.

Wuhan is a long-time strategic depot for PLA material reserves and a centre of the army's business empire.

Since the 1967 Wuhan Incident, when the commander and a division of the now-defunct military region revolted against Beijing, the city has been feared as a centre of military opposition.

#### Ruan Chongwu Stresses Rule of Law

HK0805050095 Beijing RENMIN RIBAO in Chinese  
4 Apr 95 p 9

[Article by Ruan Chongwu (7086 1540 2976): "It Is Necessary To Administer Socialist Market Economy Under the Law"]

[FBIS Translated Text]

Administration according to law means that the government should have a legal basis for its various kinds of administrative behavior, should abide by law when handling things, and should not behave unscrupulously. This is an important political ideology and legal principle on the one hand, and on the other hand, a kind of political morals and standard of social value.

Our party's purpose is to serve the people heart and soul, and our country's political system is the people's congress system, which is completely different from the political system of the capitalist countries. The "Constitution" stipulates that "all the powers of the PRC belong to the people, and all state organs and state personnel must rely on the people's support, always maintain close ties with the people, listen to the people's ideas and suggestions, accept the people's supervision, and diligently serve the people." Government personnel are the people's servants, and the people are the master of the country. Through the people's congress, the people authorize the government to exercise the administrative power for the ultimate purpose of serving the people. The government has the responsibility to ensure that the people have the power to participate in administration and to



protect them so they are free from the harm of unlawful administrative behavior. The emphasis on socialist administration according to law, is to make the government better serve the people. Socialist market economy has given new contents to the thinking on administration according to law. The change from the planned economy system to market economy system has raised a corresponding demand for the government to change its duties and functions, separate itself from enterprises, and stop interfering in enterprises' operational activities; on the other hand, thanks to many administrative rules and regulations, the government has strengthened its duties and functions, actively mediated and solved problems in the society, alleviated social conflicts, effectively runs the modern society, and enabled the government's powers to be distributed rationally, duties and functions to be rationally divided, and personnel to be rationally arranged, so that it becomes a government with matching powers, responsibilities, and duties.

The market economy is a regular economy based on law. Along with the establishment and development of the socialist market economy, economic operation will drift further away from the unitary administrative means, and enterprises will become the main players in the market and make operational decisions at their own discretion. Fair competition and exchange at a fair price will become the basic norm for market behavior. Under such circumstances, the main interest groups multiply day after day and various kinds of conflicts and clashes become increasingly complicated, and this requires us to follow the "rules of the game" which are recognized by the whole society, to continuously improve regulations and procedures for coordinating the interests of various parties and to solve various problems. This requires the establishment and continuous improvement of the system of laws that meets the need of the market economy to enable the government to perform the role of macro regulation and control, to effectively administer the country, and to safeguard the normal order of the socialist market economy. Administration according to the law emphasizes standardization, rationalization, and legalization of administration. Along with the development of the society, the government has to further stress administrative efficiency and scientific management, and this requires laws and regulations to play the role of standardizing and restraining. Administration according to law is the norm for the administrators when they carry out administration, as well as the restraint over them. On the one hand, it protects the legitimate rights and interests of citizens; on the other hand, it ensures that administrative organs effectively exercise their powers. Therefore, administration according to law has already become an urgent need as we es-

tablish the socialist market economy system. Administration according to law is one of the important contents of the reform of the political and economic systems of our country. Reform is to get rid of the management systems and methods which are not conducive to economic and social development, and to establish and improve a system of laws that meets the needs of the overall goal of the reform. At the same time, the overall plan of the reform should also rely on new regulations and methods to be continuously enriched and developed. In recent years, reform of the administrative organs in Hainan Province have all begun with the formulation and implementation of new laws and regulations. Establishing the rules first and taking actions later can guarantee that state personnel and the people all understand the principle, direction, and steps of the reform; enable the government to have the means of effectively carrying out the reform; and thus guarantee that the reform can overcome obstacles, proceed in an orderly manner, and avoid the chaotic phenomenon whereby each person goes his own way. In the course of reform, new ideas and methods must be established through legislation, and in the final analysis, the achievements of reform must be stabilized and consolidated by the continuous establishment and improvement of laws and regulations. Therefore, administration according to law is the most effective way to promote the reform.

II The insistence on administration according to law, has become prominent against the background in which we build the socialist market economy system, as well as the socialist political system corresponding to it. Under the conditions of a market economy, diversification of interests will inevitably lead to diversification of value standards and value orientation. To coordinate the complicated and often changing interest relations, and to practice rational social redistribution, we must act according to the law. Speaking basically, law is the arbiter of interest relations. Only when we administer according to the law, can we ensure the authority, rationality, and stability of government coordination. Adjusting interest relations in the society is an important duty for the government. To insist on administration according to law, we must first have laws to abide. In 1988, the First Session of the Seventh National People's Congress adopted the "Resolution on Establishing the Hainan Special Economic Zone," which granted Hainan more local legislative powers and let it fully utilize the local legislative power to improve the socialist market economy mechanism for the special zone, and this is of special significance to improving the investment environment and developing the economy. In the six years since Hainan was founded

as a province, and particularly in the past two years, Hainan scored great results in legislative work. Over the past two years, the provincial people's congress has examined and passed 30 laws, while the provincial government has also promulgated many administrative rules, and 70 percent of the regular meetings of the provincial government have been devoted to discussion of legislative work. With a basis, a yardstick, and a standard, administration according to law has a foundation.

Before promulgating major decisions and when formulating regulations, it is necessary to carry out adequate survey and research and work to prepare for legislation, to extensively listen to the ideas and proposals from various quarters, and to try hard to take into account the interests of the majority of people. After the relevant draft is proposed for legislation, a decision on legislation must be made through the necessary democratic procedure. In the course of implementation, we must also pay attention to doing things according to the procedures fixed by law, and improve administrative efficiency to ensure the smooth process of the administrative activities. For example, the road maintenance fee, toll fee, bridge-crossing fee, and transportation management fee in Hainan's road transportation are "four fees combined as one," which is then called the additional fuel charge, and this is a reform which has been implemented only after thorough discussion and legislation; Hainan was the first in the whole country to abolish toll collection stations along highways, and has been unanimously spoken of highly.

The government's power comes from the people, and the people are the foundation for the government's authority. If the government does everything according to the rules, the people will feel that the government is principled and reliable, and they will feel relaxed and support the government. We have often said that "no IOUs should be given, no IOUs should be honored, and doing everything according to the rules," and what we mean is administration according to the law. If there is a certain government department which does not follow the rules, but bases itself on relations and officer's will, or even asks for "benefits" from other people, then the people will think that this department's policies are always changing and it is operating in "camera obscura," [anxiang 2542 4630] and that it is a corrupt "magistrate's office," and then they will lose confidence in the government, social habits will turn bad, and the people's interests will be hurt. Therefore, administration according to the law is a reliable guarantee protecting the people's legitimate rights and interests and in promoting social and economic development. In order to provide convenience to

enterprises and people, in the course of system reform, we have tried our best to reduce the links in examination and approval through establishing regulations and systems to control expansion of administrative power. The more links there are in examination and approval, the bigger the administrative power, and thus it is easier to cause conflict and corruption. If a unit has big power in examination and approval, when there is a festival or New Year's Day, its doorstep will have many people, cars, and gifts. Reducing the links in examination and approval will bring about actual benefits to enterprises and people. But it is not very easy for a government to reduce its own power, and it is a demand from the public everywhere in the world, but without exception it is very difficult to practice it. Hainan Province has resolutely reduced the links in examination and approval; in reforming the procedure to register enterprises, over 100 examination and approval chops have been abolished at one stroke, and only 24 kinds of permits have been maintained; this has provided convenience to enterprises and people and has also "cured the symptom and the root" in the anticorruption drive and clean government building. Hainan Province has actively advocated open procedures for doing things, open processes of doing things, and acceptance of the people's supervision; in many links in doing things, we run operations in a single big office and handle documents through a single window, and this has effectively eliminated the operation in "camera obscura" and made it difficult to accept "red envelopes." Hainan Province was the first one to abolish the system of assigning specific tax personnel to oversee households, and has founded a tax service center for enterprises to declare tax returns and perform the whole tax payment procedure in a big hall, thus, blocking the loopholes in the area of revenue and winning the supporting from the enterprises and the masses.

**III When there are rules, they must be followed. Failure to abide by a law when it exists not only equates to having no law, but also destroys the solemn nature of law and hurts the authority of the government. In order to ensure implementation of the promulgated laws, the first thing to do is to clearly define duties and responsibilities, assign responsibilities to persons, and let each of them perform his duty and shoulder his responsibility, so that administrative power corresponds to certain administrative responsibilities. This is an important principle of administration according to law. Only a government that provides quality and efficient services and does solid things is a good government. The crucial factor to administration according to law is personnel. Therefore we must upgrade the ideological**



and professional quality of state personnel, and enhance the sense of law and the self-awareness for administration according to law. All state personnel must learn the law, and in particular they must familiarize themselves with the relevant regulations in their domains of duty and responsibility for they can never "make other people thoroughly understand when they themselves do not quite understand." The "State Compensation Law" became effective on 1 January 1995, and the state should compensate according to the law those people who are harmed by the administrative activities that violate the law. The "Administrative Reconsideration Regulations," the "Administrative Procedural Law," and the "State Compensation Law" are to protect the people's legitimate rights and interests, and are important regulations by which the people can sue the government for improper administrative behavior. Governments at various levels should study and publicize the relevant regulations, to enable the broad masses of cadres to further understand their own duties, powers, and obligations, in particular, the law enforcement units must always pay attention to administration according to the law. In this way, we are able to abide by the law when there is law, be strict when enforcing the law, and pursue responsibility when the law is broken.

Supervision over administrative power is, first, the government's self-supervision. It includes the mutual supervision between upper and lower levels within the government, between departments, between former and latter procedures, and between colleagues. Auditing and administrative supervisions also belong to internal supervision of a government. It also includes the remedial measures such as administrative reconsideration and state compensation, which aim at the improper administrative behavior that can possibly arise from the government.

Having only administrative supervision is not enough, and there must also be supervision over administration. The work in supervising administration must be done by the whole society. First, supervision by the people's congress; for example, it examines and approves the bills proposed by the government, inspects administration and law enforcement, accepts complaints from the citizens, and organizes deputies to the people's congress and members of the Chinese People's Political Consultative Conference to carry out investigation and inspection; second, judicial supervision, supervision by the masses, and social supervision. Supervision by the masses is direct participation by the broad masses in state and social affairs and for them to exercise their right in being the master; it is a concrete embodiment

of people's democracy. Supervision by the masses includes raising proposals, criticisms, reports, complaints, and lawsuits regarding the government and its personnel. Apart from individual citizens, this right can also be exercised through various political parties and people's groups. Social supervision is mainly exercised through the mass media such as newspaper, radio broadcasts, and television. Apart from this, the party also carries out discipline and organizational supervisions over the party members in the administrative organs of various levels, and this in fact plays a role in supervising administrative behavior. The most effective way to fight bureaucracy and corruption is to establish supervisory mechanisms and improve regulations and systems.

#### Intelligence Service Warns Against 'Uprising'

AU0805135795 Hamburg DER SPIEGEL in German  
8 May 95 pp 140-141

["Excerpts" from PRC "intelligence service study" distributed as a "strictly confidential circular" to 200 leading PRC politicians: "Uprising of the Desperate"]

[FBIS Translated Text] The early stage of the reform process (1978-89) was marked by violent ideological confrontations in the party, which finally had to culminate in the events of June 1989 (the Tiananmen massacre — the editors). In the intermediate stage, which we entered at the beginning of the nineties, we are put to an even greater test. Restructuring of society will result in severe conflicts from which new political groups will develop.

When the government decided to forcibly terminate the conflicts between the leadership and radical-liberal forces in June 1989, the citizens paid a high price for it. However, encouraged by the achievements of reform, the consequence of this determination was that many intellectuals decided in favor of limited cooperation with the government. It is unlikely that they will again come together for a protest shaped by radical liberalism...

In the intermediate stage of reform, the state is threatened by a rapidly progressing loss of power. The causes are widespread corruption and the readiness for the arbitrary violation of the law among cadres and the insufficient implementation of administrative directives in the provinces. The market economy has corroded the sanctity and inviolability of ideology, morale, and the citizens' loyalty to the Communist Party.

There will be a dangerous rift between the poor and the rich in our society. At present, a small group is trying to monopolize the privileges that are at its disposal in society and in politics in order to seize markets and to accumulate more wealth before adequate laws that



prevent this are created. That might turn out to be a development trap. More and more people will lose their work, the number of migratory population will increase to a dangerous extent, and social differentiation will become explosive.

There is the danger that neonationalist forces and ultra-leftists will join forces with the masses that have gone short. Then their slogan would be that the "superiority of socialism must be reestablished."

In addition, more and more forces in the provinces proceed on the assumption that it is favorable for their economic development if the headquarters reduces its power or the state even reorganizes in a federalist way. In view of increasing pressure from the population, problems with unemployment, environmental protection, and the bad infrastructure, an explosive situation might develop in the era after Deng Xiaoping...

More and more comrades take the view that the party is not authorized to also head the state. What is more, they demand that this task is due to the People's Congress. They are of the opinion that, as of the mid-nineties, an end has to be put to the one-party rule and freedom of the press has to be introduced. In addition, in their opinion, the army should be under the control of the state, not of the party, and the state should abandon centralism.

As long as Deng Xiaoping and the old veterans are still alive, they will use their prestige to prevent conflicts in the party and the state. Afterward, however, violent crises will be inevitable. There will be an uprising of the desperate, to whom reform has not brought any social advantages. As early as in 1993 when strikes broke out in many factories, we are able to see what that looks like. At that time, the slogans of the protesters were: "Down with the new class of aristocrats" and "The factories belong to the whole staff."

According to incomplete statistics, there are more than 100 million unemployed in the country. Because of new laws, which permit the bankruptcy of firms, the number of people without work will increase constantly. Official reports speak of an increase in the number of labor conflicts, as compared to the crisis year of 1993. A dangerous riffraff proletariat is concentrating.

If it is taken into account that most of the Chinese still have a very low educational level, a dangerous hotbed for nationalist forces is developing here. If the government is not able to take rigorous action, we will lapse into permanent chaos, into a society where criminal gangs and political profiteers will assume power.

If we do not take countermeasures soon, conflicts in the group of leaders will be inevitable. The consequence would be that the respective groups would mobilize their social reserves and settle their political conflicts openly. However, out of fear of another 4 June, we should not make the mistake of jeopardizing the whole reform project.

**Department Holds Regional Propaganda Meetings**  
*HK0905041295 Beijing RENMIN RIBAO in Chinese*  
9 Mar 95 p 3

[Report: "At Meeting of Heads of Provincial, Regional, and Municipal CPC Committee Organization Department Research Offices, Central Organization Department Stresses Need To Strengthen Investigation and Study and Public Opinion Work and Promote New Great Project"]

[FBIS Translated Text] Recently, the Central Organization Department summoned a meeting of the heads of the research offices of provincial, regional, and municipal CPC committee organization departments across the country, in the southern city of Xiamen and the northern city of Zhengzhou. The meetings summed up and exchanged experiences and studied and made arrangements for the organization departments' tasks of investigation and study and public opinion propaganda work in 1995. Attending the meetings were the relevant leading comrades from the Central Organization Department and the heads of the research offices of the organization departments of the country's 30 provincial, regional, and municipal party committees, as well as 16 semi-province-level cities.

It was pointed out at the meeting that the Fourth Plenary Session of the 14th CPC Central Committee had put forward the building of the party in power in the new period as a new, great project, and further elucidated the general objectives and demands of and the overall plan for party building at present and for some time to come. Organization departments at all levels shoulder the extremely heavy task of genuinely implementing the spirit of the "Decision" of the Fourth Plenary Session and the National Organization Work Conference. The foremost condition for completing these tasks is to strengthen investigation and study, start out from reality in proposing concrete and workable programs, grasp in a timely manner problems which crop up in the course of implementation, and meticulously carry out policy guidance.

To enable the organization departments to do a good job of investigation and study and public opinion propaganda work, the meetings demanded:

First, seize opportunities to forge ahead and carry out investigation and study by firmly grasping implementation. The organization departments at all levels should lose no opportunity to grasp the current opportune moment of stepping up party building to put forward implementation measures and methods in keeping with the plan and requirements of the party Central Committee and on the basis of investigation and study; study and propose relevant system reform programs so as to provide institutional guarantees for implementation of party building and organizational work; apply propaganda means to strengthen the ideological and theoretical leadership of implementation work and remove all kinds of ideological obstacles to resolute implementation; unify the understanding of both the leaders and the grassroots and create a public opinion environment conducive to firm implementation; through investigation, strengthen supervision and inspection, promptly spot, study, and resolve all kinds of problems encountered in the course of practice; and pay attention to discovering models who have done a good job in implementation, sum up and promote their experience, and use the experience of selected units to comprehensively promote implementation of all fields of endeavor.

Second, emphasize the important points and lay stress on practical results so that investigation and study departments genuinely play the role of advisers, assistants, eyes and ears, and throats and tongues. In general, the emphasis of the work of the organization departments at present and for some time to come is to comprehensively implement the spirit of the decision of the Fourth Plenary Session of the 14th CPC Central Committee. Comrades engaged in investigation and study must stress practical results, emphasize the important points, concentrate their energies, and do their utmost to produce a set of weighty and very influential accomplishments. These accomplishments must be applied to promote the in-depth development of organizational work and to create a new situation in organizational work. The propaganda side of organizational work must be strengthened through public opinion propaganda so as to arm people's mind and promote work. Strenuous efforts must be made to run organization departments' publications well, raise their quality, strengthen their focus, raise their fighting spirit, and criticize in a clear-cut manner erroneous ideas and unhealthy tendencies.

Third, it is necessary to closely unite the strengthening of investigation and study with the strengthening of macro guidance, conscientiously strengthen ideological and theoretical guidance, strengthen policy study and guidance, strengthen system study and reform, ceaselessly sum up and promote new experiences, and study and solve new problems.

Fourth, it is necessary to be good at grasping and daring to reflect actual conditions, and to seek truth and deal with practical matters with a scientific attitude and the spirit of seeking truth from facts. In the course of investigation and study it is necessary to do one's utmost to understand and grasp the actual conditions. We must advocate investigations at selected points, thoroughly understand the actual conditions at the grassroots levels, and extensively listen to the opinions and calls of the masses. We must guard against listening to rumors, taking only a superficial view, and being satisfied with only a smattering of a subject. Resolute guard must be maintained against all kinds of formalism and the unhealthy trends of playing trickery. We must dare to reflect the actual situation, especially when reporting it to the higher organization departments. Leading comrades in organization departments must protect comrades who dare to speak the truth and reflect the actual conditions.

Fifth, comrades engaged in investigation and study must adapt themselves to the need of developments in the situation and the tasks they shoulder. They must set high standards and strict demands, study assiduously, forge ahead, study hard again and again, and reach ever-higher levels. The leading comrades of the organization departments must attach great importance to and vigorously support investigation and study work. They must place this work in an important position and grasp it with their own hands. They must show concern for and support the comrades engaged in investigation and study, and provide and create the necessary conditions for their work. They must treat cadres from other departments equally and without discrimination, promote those who should be promoted, deploy them as necessary, and rationally solve their remuneration and other issues. They must properly strengthen those units which do not have sufficient manpower or lack key members. It is not permissible to weaken the work of investigation and study on account of streamlining institutions and reducing personnel.

The meetings called on organization departments in the new year to closely center themselves around the overall aspect of the party's work and the central tasks of organizational work, put great efforts into strengthening investigation and study and macro guidance so as to play a positive role in promoting party building and organization work and carrying out the new, great project. At these meetings, 10 units shared their experiences and evaluation was made on the 1994 investigation and study results. Some 13 people were given first-class awards, 25 received second-class awards, and 30 received third-class awards.



**Minister Delivers Report on Drug Trafficking**

OW0905074695 Beijing XINHUA Domestic Service  
in Chinese 0306 GMT 9 May 95

[By reporter Liu Siyang (0491 1835 2254)]

[FBIS Translated Text] Beijing, 9 May (XINHUA) — In recent years, departments in various areas have conscientiously carried out the work of banning narcotic drugs, and public security organs and other law-enforcement departments have seriously cracked down on drug-related crimes, but the situation remains very grim, said Public Security Minister Tao Siju today.

Entrusted by the State Council, Tao Siju gave a report on the situation of the work of banning narcotic drugs in the country to the current 13th meeting of the Standing Committee of the National People's Congress [NPC].

Chairman Qiao Shi attended the plenary session which was held this morning. The session was presided over by Vice Chairman Ni Zhifu.

Tao Siju said: On 28 December 1990, the NPC Standing Committee adopted and promulgated the "Decision on the Prohibition of Narcotic Drugs," greatly deepening the work of banning narcotic drugs throughout the country. The outstanding problems at present are: 1) Narcotic's criminals from outside China are trying every means to smuggle narcotics through Chinese territory for sale in international drug consumer markets. They have even resorted to armed drug trafficking, and the struggle is becoming fiercer and more complex. 2) Along with the increase in narcotics passing through Chinese territory, the number of domestic drug addicts is increasing, and the work of combating drug trafficking has failed to meet the needs of the situation.

Analyzing the causes for the existing problems, Tao Siju said: Objectively, this is a reflection of the rampancy of narcotics on a worldwide scale, but subjectively, individual departments and some regions, especially some basic organizations, have failed to recognize the severe harmfulness of the resurgence of narcotics and the urgency of banning them, and have also failed to do enough to combat drug trafficking.

Tao Siju held: To deepen the work of banning narcotic drugs, it is necessary to raise understanding and introduce a leadership responsibility system; to enforce laws strictly; to continue cracking down on drug trafficking; to grasp the work of banning narcotic drugs; to guard against use of drugs; to help addicts kick the habit of drug taking; to effectively implement policies on banning narcotic drugs, planting of narcotic trees, and uprooting narcotic trees; to tighten control over narcotic drugs, mental drugs, and chemicals for making narcotic

drugs; and to conscientiously implement comprehensive control and prevention measures.

At today's session, copies of the written reports on Chairman Qiao Shi's visit to Japan and South Korea, on an NPC delegation's visit to Thailand and Malaysia, and on an NPC delegation's attendance at the 93d meeting of the Union of Parliaments of Various Countries were distributed for deliberation by members of the Standing Committee.

Vice Chairmen Tian Jiyun, Wang Hanbin, Chen Muhua, Fei Xiaotong, Sun Qimeng, Lei Jieqiong, Li Ximing, Wang Bingqian, Wang Guangying, Cheng Siyuan, Bu He, Tomur Dawamat, Li Peiyao, and Wu Jieping, and Secretary General Cao Zhi attend the meeting.

Ren Jianxin, president of the Supreme People's Court, and Liang Guoqing, chief procurator of the Supreme People's Procuratorate, attended the meeting as observers.

**Party to Step Up Efforts Against Deng Rumors**

HK0905050795 Hong Kong HONGKONG  
STANDARD in English 9 May 95 p 1

[FBIS Transcribed Text] China's ruling Communist Party has ordered the government's information office to step up efforts to deal with "rampant rumours" in overseas media on paramount leader Deng Xiaoping and a string of corruption scandals.

The party Central Committee's propaganda department also asked the State Council's information office to work out measures to refute the "groundless reports" which it says could undermine China's stability in the sensitive transition period.

Sources say the rampant reporting in the foreign press of "made-up stories" has raised concern in the top leadership.

The propaganda department has issued instructions to the government's information office to guard against misleading information.

The information office was also asked to investigate the source of the rumours and to assess their impact, the sources said.

They said measures would be adopted to deal with rumour mongers.

These would include cancelling the permits of news organisations operating in China if they are found to be spreading false stories, and legal action.

The sources said Beijing would make full use of its information network to present the facts and counter the rumours.



China's foreign ministry spokesmen, the official Xinhua News Agency, domestic media and pro-Beijing news organisations in Hong Kong have been asked to be the main channels to counter the rumours.

Local government and party organisations have also been asked to clarify and check news reports.

This would help the government information office improve information feedback, according to a party document.

The document adds that while localities are tasked to refute false reports on important domestic affairs, the foreign ministry will be responsible for releasing information on Sino-foreign relations.

The document says heavily fabricated stories have been circulating in overseas media on the health of Mr Deng, the dealings of his family members and on a string of corruption scandals.

These scandals have prompted a major reshuffle of Beijing's party apparatus.

One of the casualties of the purge was Beijing party chief Chen Xitong.

Since the death of party elder Chen Yun last month, speculation about Mr Deng's death has been rife in overseas media.

#### Article on Deng's Anticorruption Ideas

HK0805035895 Beijing QIUSHI in Chinese  
16 Mar 95 No 6, pp 23-26

[Article by staff reporter Chang Guangmin (1603 0342 3046): "A Powerful Weapon for the Improvement of Party Conduct, the Building of Clean Government Administration, and the Struggle Against Corruption — Roundup of the 'Symposium on Deng Xiaoping's Thinking on Party Conduct and Clean Government Administration in the New Period'"]

[FBIS Translated Text] Not long ago, the Central Commission for Discipline Inspection [CCDI] and the Central Supervision Department convened a national "Symposium on Deng Xiaoping's Thinking on Party Conduct and Clean Government Administration in the New Period" in Weihai City, Shangdong Province, attended by representatives from the discipline inspection and supervision sphere. Present at the symposium were leading cadres of the CCDI and the Central Supervision Department; leading cadres of discipline inspection and supervision organs of all provinces, autonomous regions, and municipalities; leading cadres of military discipline inspection and supervision organs; comrades from policy and theory research departments; and experts and specialists in party building and the science of law. At

the symposium, extensive and in-depth discussions were conducted on Deng Xiaoping's thinking on party conduct and clean government administration in the new period and the issues concerning the building of party conduct and clean government administration and the struggle against corruption under the new situation.

#### I. Strengthening the Building of Party Conduct and Clean Government Administration Is an Important Matter Concerning the Destiny of the Party and the State

In the new historical period, our party is faced with new circumstances and new tasks, as well as new, grim tests. This has set new, higher demands on party building, which includes the building of party conduct and clean government administration. From the perspective of historical evolution and with the vision of a proletarian strategist, Comrade Deng Xiaoping has maintained keen observation of the developments in the building of the cadre contingent of the party and the work style of the party and, with the destiny and future of the party and state in mind, repeatedly emphasized the importance of strengthening the building of party conduct and clean government administration and the struggle against corruption, urging the whole party to do so.

The comrades attending the symposium believed that it is of vital importance to use Comrade Deng Xiaoping's thinking on party conduct and clean government administration in the new period as a powerful weapon to strengthen the building of party conduct and clean government administration and the struggle against corruption under the new circumstances. First of all, this is an urgent request of the building of party and state power. The building of party conduct and clean government administration and the struggle against corruption are an important matter concerning the destiny of our party and state. As Comrade Deng Xiaoping has pointed out, if our party did not pay serious attention to it, our party and country would indeed have to face the question of whether or not they would "change face." Second, this is a natural requirement of the effort to adhere to the essence of socialism and give play to the advantage of the socialist system. If we did not make a good job of the building of party conduct and clean government administration or were unconcerned about corrupt phenomena and let them be, our society would become a world with rampant embezzlement, theft, and bribery. And if so, what kind of socialism and advantages of the socialist system could there be to speak of? Comrade Deng Xiaoping pointed out: "Not only should the economy be boosted, but the social order and general mood of the society should also be improved and we should be better than them in the building of the two

civilizations. Only this is socialism with Chinese characteristics." ("Selected Works of Deng Xiaoping" Volume Three, p 378) Third, this is an important guarantee of successful reform, opening up, and economic construction. Only by firmly punishing corruption and managing well the party conduct and general mood of the society can we create a fine political environment and social environment for the reform, opening up, and economic construction and will "the opening up to the outside world and the enlivening of the economy at home will be on the right course." Otherwise, "the building of the four modernizations and the policy of opening up to the outside world and enlivening the economy at home will fall through." ("Selected Works of Deng Xiaoping" Volume Two, p 404) Fourth, this is an important condition for maintaining close ties between the party and the masses and between cadres and the masses; winning the trust of the public, as well as realizing social stability. Corrupt phenomena are detested by the general public as they sabotage the relations between the party and the masses and between cadres and the masses, as well as jeopardizing social stability. Punishing corruption and rectifying party conduct and government conduct conform with the wishes of party members and the general public. Comrade Deng Xiaoping believes that failure to clear away the ulcers that have affected the healthy bodies of the party and the government would negatively affect social stability and make it impossible to educate the people well or to lead the people to build socialism. Fifth, this is an important aspect of the building of socialist spiritual civilization. Clean and honest administration is the most important aspect of spiritual civilization of party and government organs themselves. It has an extremely important impact on the building of spiritual civilization in various circles of society. If the building of clean administration is neglected, it would be very hard for the building of spiritual civilization in other areas to succeed. Therefore, "the current endeavor in the building of spiritual civilization should first of all concentrated on a thorough improvement of the party conduct and the general mood of society." ("Selected Works of Deng Xiaoping" Volume Three, p 144) Only by managing party conduct and government conduct well can we set a good example to follow for the general public and greatly improve the level of spiritual civilization of the entire society.

## **II. Deng Xiaoping's Thinking on Party Conduct and Clean Government Administration in the New Period Is a Scientific Ideological System**

At the symposium, the attending comrades pointed out: Comrade Deng Xiaoping has made a profound summary of the history and practical experience of our party in the building of party conduct and clean government admin-

istration as well as the struggle against corruption; made a scientific analysis of the status, situation, mission, and characteristics of the building of party conduct and clean government administration and the struggle against corruption in the context of reform, opening up, and modernization; set forth the guidelines, principles, methods, and approaches for eliminating unhealthy tendencies; and therefore formed a scientific ideological system with inherent logic. Deng Xiaoping's thinking on party conduct and clean government administration in the new period not only is a continuation of the fine traditions and precious experience of our party in combating corruption and maintaining a clean and honest conduct, it has also, from a broader perspective of building socialism with Chinese characteristics, creatively brought forward a series of new viewpoints and enriched and developed our party's theory on combating corruption and encouraging honest conduct. On the one hand, it has absorbed and assimilated some useful methods and experiences of other countries in improving government conduct; yet on the other hand, it has not resorted to indiscriminate copying. Instead, his thinking is a result of the effort to explore a new path with Chinese characteristics for the building of party conduct and clean government administration and the struggle against corruption in view of the reality of China's reform, opening up, and economic construction drive. It is a product of the integration of Marxist thinking on party building and the building of state power with the reality of China's economic construction, reform, and opening up; a continuation and development of Mao Zedong's theory on party building and thinking on party conduct and clean government administration; and an important component of the theory of socialism with Chinese characteristics.

Hou Zongbin, deputy secretary of the CCDI, pointed out: Besides having an overall scientific nature, Deng Xiaoping's thinking on party conduct and clean government administration in the new period also has the following three distinctive features: One, a clear hallmark of our times. Standing in the forefront of the development of the times and proceeding from the reality of China's reform, opening up, and the development of the socialist market economy, Comrade Deng Xiaoping has alerted the comrades of the whole party to the issue of strengthening the building of party conduct and clean government administration and the struggle against corruption, as an indispensable, important guarantee of the reform, opening up, and economic construction. He has integrated the building of party conduct and clean government administration into the process of reform, opening up, and modernization, not only making the work on combating corruption and encouraging clean government conduct consistent with the general principle and policy for the reform and opening up, but



also turning it into an integral part of this general principle and policy and a means to implement this general principle and policy. Two, outstanding creativity. On the basis of carrying forward and developing the thinking on party conduct and clean government administration in Marxism-Leninism-Mao Zedong Thought, Comrade Deng Xiaoping has provided a systematic answer to a series of fundamental issues concerning the building of party conduct and clean government administration and the struggle against corruption under the new historical conditions; raised a series of new viewpoints and new theses; and opened up a new mental approach to the building of party conduct and clean government administration and the struggle against corruption that conforms with the new situation. This creativity is manifested in the guidelines, principles, methodology, and basic approaches suggested by Comrade Deng Xiaoping on the building of party conduct and clean government administration and the struggle against corruption. Three, great value of guidance and practice. Over the 17 years since the reform and opening up began, we have been carrying out the building of party conduct and clean government administration and the struggle against corruption under the guidance of Comrade Deng Xiaoping's thinking and in accordance with the overall plans of the party center.

According to Comrade Deng Xiaoping's thinking on party conduct and clean government administration, the building of party conduct and clean government administration and the struggle against corruption, as far as its nature is concerned, is a process of self-purification of the ruling party and self-improvement and development of socialism; as far as its goal and task are concerned, it is aimed at and based on consistently serving the people wholeheartedly and maintaining the flesh-and-blood relationship between the party and the masses; as far as its leadership is concerned, the building of party conduct and clean government administration is advocated, organized, and conducted by the CPC and the struggle against corruption is carried out in a step-by-step and orderly way under the party's leadership; as far as the forces that are relied on are concerned, the masses are the source of strength and the basis of success; as far as the guiding principles are concerned, it is imperative to keep clearly in sight the overall interests of economic construction and reform and opening up and to obey and serve the party's basic line.

Comrade Deng Xiaoping's thinking on the building of party conduct and clean government administration has a very rich content. It contains a series of important expositions on aspects from theory and policy to strategies and methods. Its core content includes the following aspects: One, an in-depth exposition is provided of the im-

portance and necessity of the building of party conduct and clean government administration and the struggle against corruption, from the perspective of the party's and the country's survival and the success of the great cause of socialist modernization. While pointing out the negative and corrupt phenomena present in the party in good time, it also makes a scientific and correct assessment of the state of party conduct party-wide. Two, it consistently emphasizes the need to adhere to "doing two types of work simultaneously," the two types of work being: material civilization and spiritual civilization; construction and the development of the legal system; the reform and opening up and the punishment of corruption and crackdown on all kinds of criminal activities. Three, it points out that as much as it is important to combat corruption with a clear-cut stand, we must not carry out the anticorruption campaign independent of economic construction, the central task of the whole party. The building of party conduct and clean government administration and the struggle against corruption should be conducted closely around the party's basic line; conscientiously submit to and serve economic construction and reform and opening up and promote and guarantee the healthy development of economic construction as well as reform and opening up. Four, a momentum should be created in combating corruption and genuine efforts should be made without leniency. The principle of firm purging should be applied to corrupt elements. The anticorruption campaign should be conducted case by case and special attention should be given to big and important cases and the unhealthy tendencies that the masses are strongly critical of. Five, while we must rely on the masses in combating corruption, we cannot launch a mass movement. To conduct the anticorruption campaign, it is imperative to mobilize and rely on the broad masses. This is a fundamental guarantee for overcoming and surmounting all difficulties and winning a victory in the struggle against corruption. However, mobilizing and relying on the masses does not mean we should launch a mass movement. We must firmly abandon the practice of mass movement and refrain from vetting everybody. This is the only way to guarantee healthy and orderly progress of the anticorruption campaign. Six, in combating corruption and encouraging clean government administration, it is imperative to rectify party conduct and the general mood of society. Here, rectifying party conduct is key to rectifying the general mood of society. Therefore, it is necessary to start within the party and start with leadership organs and leading cadres. Cases of law or discipline violation involving high-ranking cadres, the children of high-ranking cadres, and celebrities must be handled with more intense efforts. Seven, as much as education is important in the building of party conduct and clean



- government administration and the struggle against corruption, the system and law are more important. Relying on the system and law is a thorough, permanent, and reliable solution. It is necessary to strengthen the building of the system and the building of socialist legal system with energetic efforts and gradually achieve the goal of solving corruption problems by relying on the system and rule by law, not on rule by man. Eight, the supervisory mechanism must be strengthened in the building of party conduct and clean government administration and the struggle against corruption. The most important is to strengthen supervision within the party and establish, and improve, a specialized supervisory institution and an effective supervisory system. In the meantime, it is necessary to strengthen supervision by various departments, including the supervision by state power organs, judicial organs, and administrative supervision organs; supervision by propaganda media; supervision by democratic parties and personalities of no party affiliation; and supervision by the general public. Nine, it is necessary to implement the principle of "firmness and persistence." In other words, we should not only adopt the idea of long-term effort, but also have a sense of urgency and proceed from the immediate reality while taking a long-term point of view. Campaigns should be conducted one by one and problems solved one by one to achieve phased results continuously, boost the confidence of the whole party and the people of the whole nation, and truly win popular trust. Ten, it is necessary to strengthen the party's ideological building and the building of spiritual civilization of the entire society; raise the political, ideological, and moral standards of the whole party and the whole nation; heighten the sense of honesty and self-discipline; foster a healthy and uplifting party conduct and general mood of society; and create a good environment for the building of party conduct and clean government administration.

### **III. Work Hard To Implement Deng Xiaoping's Thinking on Party Conduct and Clean Government Administration in the New Period and Carry Forward the Building of Party Conduct and Clean Government Administration and the Struggle Against Corruption in Greater Depth**

The comrades attending the symposium emphasized that in order to carry forward the building of party conduct and clean government administration in greater depth, in the longer term, and more fruitfully, the following six adherences must be implemented:

It is necessary to adhere to the strategic principle of "doing two types of work simultaneously with equal strength;" further heighten the understanding of the importance of the building of party conduct and clean gov-

ernment administration; and constantly raise the sense of mission and the sense of urgency. The comrades of the whole party, especially leading comrades at all levels, must reinforce their sense of crisis and bear firmly in mind the concept of "doing two types of work simultaneously with equal strength;" draw a profound lesson from "one hand hard, one hand soft;" work closely around economic construction as the center; and take practical steps to make a good job of the important matter of building party conduct and clean government administration and combating corruption.

It is necessary to adhere to the principle of managing the party and the government strictly, tighten supervision and management, and enforce discipline rigorously. Party members and cadres, especially leading cadres, must be put under strict requirements, strict management, strict supervision, and strict enforcement of discipline. It is necessary to firmly punish corrupt elements and firmly overcome unhealthy tendencies and corrupt phenomena. To this end, we must not lower any standards or requirements, relax supervision or management, or treat law or discipline violators with leniency. At present, we must firmly overcome interference from the personal connections network, the widespread practice of interceding for offenders, and local protectionism.

It is necessary to adhere to the control of leadership organs and leading cadres, especially leading cadres ranking at and above the county (or provincial section) level. Starting with leading cadres means making a good job of the work on leading cadres' honesty and self-discipline; making a good job of the work on handling cases of law or discipline violation by leading cadres; further establishing and improving the responsibility system; and urging leading cadres at various levels to spend quite a proportion of their energies on the building of party conduct and clean government administration and the struggle against corruption in their localities, departments, and units.

It is necessary to treat both the symptoms and the root cause, working harder on treating the root cause. We should strengthen the building of ideology and work style and reinforce political and ideological education; deepen the economic structural reform, develop and improve standard market rules and a normal market order as soon as possible, and curtail the emerging of corrupt phenomena; reinforce the supervisory mechanism and introduce and develop a supervisory system within and without the party, from the higher levels to the lower levels and from the lower levels to the higher levels; strengthen the legislative work, improve the legal system, and gradually develop a rather complete system of party regulations, party constitution, and laws and le-

gal regulations that cater to the needs of the building of party conduct and clean government administration under the new historical conditions.

It is necessary to adhere to the integration of relying on the strength of the masses with the execution of the functions of specialized organs to give further play to the roles of those two aspects in the building of party conduct and clean government administration and the struggle against corruption. The integration of supervision, reporting, and accusation by the masses with the processing of cases by specialized organs in accordance with law and discipline is a basic approach in conducting the anticorruption campaign in the new period. It is necessary to continue to adopt effective measures to protect, encourage, and mobilize the enthusiasm of the masses in reporting and exposing corruption problems; give full play to the role of discipline inspection, procuratorial, supervision, and auditing organs in the building of party conduct and clean government administration and the struggle against corruption; and create a good social environment in which they can enforce discipline and process cases.

It is necessary to adhere to the integration of long-term results and phased results and continuously achieve the latter so as to take the anticorruption campaign further step by step. The building of party conduct and clean government administration is a long-term strategic task and must run through the entire process of reform, opening up, and modernization. In the meantime, within a certain period of time, certain objectives should be fulfilled and phased results achieved in the building of party conduct and clean government administration and the struggle against corruption. Phased tasks submit to the overall goal and the overall results are contained within phased achievements. Adhering to the integration of long-term results and phased results means we must not only have an overall goal and a long-term plan, but should also implement them in stages in a snowballing way so that the results are constantly expanded.

#### **Population Experts View Upcoming Challenges**

*HK0905040595 Beijing BAN YUE TAN in Chinese  
10 Mar 95 No 5, pp 8-11*

["Special article" by Fang Yi (2075 3015): "Population Control: An Arduous Task To Undertake and a Long Way To Go — Population Experts on China's Situation"]

[FBIS Translated Text] [Abstract] Family planning has deferred the "1.2 billion population day" by nine years; the net population growth in our country has reached 14 million each year, so efforts on population control may not be relaxed. We must take precautionary measures

now and face all the challenges to cope with the population problem. [end abstract]

The date of 15 February 1995 was for China the "1.2 billion population day." Thanks to the family planning policy, this day had been deferred by nine years.

The latest statistics indicate that, in 1994, the birth rate in China was 18 per thousand, putting China in the 144th position among 195 nations around the world with a population of 150,000 or more. This figure was close to that of the developed countries and much lower than that of underdeveloped countries and regions. Meanwhile, in 1994, China's natural population growth rate also dropped to 11 per thousand, ranking 139th and only slightly higher than the levels of the developed nations. However, because China has a massive population base, the net population growth in our country each year is still as high as 14 million and, in the coming few years, this growth rate will continue.

How should we look at the status quo of China's population? And what does the future hold? With those questions in mind, this reporter recently interviewed several population experts. They shared their opinions and ideas about the population situation that China is facing and will be facing for some time to come as well as some countermeasures that should be taken.

**By Tian Xueyuan [3944 7185 0626], director and research fellow of the Demographic Institute of the Chinese Academy of Social Sciences and executive vice chairman of the Chinese Association of Demography: "The Population Problem Continues To Interfere With China's Modernization Process"**

On 15 February this year, China's population reached 1.2 billion. This is one figure that should be remembered. It represents a historic milestone. The deferral of the 1.2 billion population day by several years has to a certain extent buffered the conflict between the population and economic and social development in our country and is an indelible contribution to the modernization effort. However, we must also realize that the conflict between population and economic and social development is far from being thoroughly resolved, and the population problem remains one of the major obstacles in the modernization process.

We are now at the turn of the century. From a long-term point of view, China should pay close attention to the problems at the following three levels in its population control effort: First, the principle of integrating "control, enhancement, and regulation" should be pursued in a bid to control the quantity of the population, enhance the quality of the population's health and education, and regulate such population structures as age,



sex, urban and rural distribution, and regional distribution. At present and for some time to come, it is imperative to make it clear that controlling population quantity remains our focus. Second, new mechanisms for population control should be sought in conjunction with the deepening of reform. With the deepening of reform, especially the establishment and continuous improvement of the socialist market economic system, some administrative methods have been exhibiting a tendency to weaken. Therefore, we must look for new mechanisms for population regulation and control which conform to the market economy. The various forms of the "three-in-one" project incorporating birth, production, and livelihood which have been invented by various localities provide a new approach toward this end. While energetically strengthening propaganda and education and the effort to change people's concepts about birth, we must create a set of mechanisms whereby single-child families and other families committed to family planning may embark on the road of affluence toward moderate prosperity as early as possible. Third, our development strategy should converge with international practice and should be focused on the sustainable development of population, environment, economy, and society. Population changes are subject to the influence of natural, economic, cultural, social, and various other parameters. But, in the final analysis, it is conditioned by the level of economic development. Therefore, it is a question of development at the bottom. This is because only when the national economy and other sectors have rapidly developed can it be possible to eliminate poverty, improve the status of women, and achieve a change in birth trends. This is especially important for China, where the economy is not adequately developed and the vast majority of its population lives in rural areas. In China, where the population base is massive and the per-capita share of resources is relatively small, the population will continue to grow while the national economy makes its way into the fast track, thus increasing pressures on the environment. For this reason, population control and environmental protection, the two basic national policies, should be pursued alongside one another and to complement one another.

In short, today, when the national population has reached 1.2 billion, the fundamental solution to population problems is to carry forward the cause and forge ahead into the future by addressing the population issue in the context of the sustainable development of resources, environment, economy, and society.

By Wu Cangping [6762 3318 5493], member of the Standing Committee of the Chinese People's Political Consultative Conference, vice chairman of the Chinese Association of Demography, and professor:

### **"Population Control Seeks Not Only To Ensure Survival, But Also To Sustain Development"**

The deferral of the 1.2 billion population day by nine years and the major decreases in the natural birth rate and natural growth rate all point to the significant success of our population control policy implemented since the 1970's. At present, China's economy is enjoying sustained development, the birth rate is reaching the replacement level, and the net reproduction rate is only 1.1 percent. All this would easily slacken people's vigilance and may undermine their awareness of the importance and necessity of population control. In fact, though the current population growth has been effectively controlled, because of the inertia of population reproduction, the massive population base will continue to bring an additional net increase of 14 million people to our population each year. It would take at least another 50 years to achieve zero growth. Therefore, for us, the population situation remains grim and we must never forget to keep sounding the alarm!

The 1.2 billion population is equivalent to the combined total of all developed countries (about 1.17 billion). Furthermore, our population will continue to increase by 1/4 to 1/3 by the middle of the next century, while the populations of the developed nations will have basically stabilized. Today, any newly added population will become surplus labor. Once the market mechanism is established and optimal recombination is applied to labor, the current surplus labor of 120 million will be a small figure. Therefore, if we failed to continue to control population growth strictly, the deepening of the reform would be bound to be restricted by the population, and huge numbers of layoffs and job-awaiting people would pose an enormous obstacle to economic and social development. At the moment, it is believed by some people that "a large population means a large market" and "we have no reason to worry about a bigger population while living standards are improving." This is actually a misunderstanding. As far as our national conditions are concerned, increasing market demand, and stimulating reproduction with a bigger population is unrealistic. There are others who have asked: Why not learn from Japan and Singapore? They also have a low land to population ratio, and their population densities are much higher than ours. We have to say this is also unrealistic. A big nation with a population of 1.2 billion cannot survive by relying on foreign resources. We have to rely on our own resources. Controlling the quantity of population is also a precondition for developing education and enhancing the quality of the population. The reflection of the population problem in education is the difficulty in universalizing and improving education. How much money would be needed to give nine years of compul-



sory education to such a large population? When the money needed is not available, it has to be made up for with arrears in teachers' salaries. How can the educational level be improved when this is happening? How can we find the energy and financial resources to deliver a high standard of education? It is evident that population control is no longer just an issue of seeking survival; it is more an issue of seeking development. By Lin FaCe [2651 1381 1795], professor with the Demographic Research Institute of the People's University of China: "Take Precautionary Measures and Face the Challenge of Population Problems"

We should consider ourselves fortunate because we have not discussed the issue of 1.2 billion population any sooner. This is a result of our social and economic development and particularly our effort to control the population growth rigorously for more than 20 years. The deferral of the 1.2 billion population day has won us a precious nine years. The low birth rate in the coastal regions has made room for the transfer of surplus rural labor to some extent. It is estimated that, since the beginning of reform and opening up, the surplus labor transferred from rural areas has reached a total of more than 50 million, of which over 20 million has moved between provinces. This process is still going on and will accelerate as China's industrial structure changes. The 1.2 billion population means the overall birth rate in our country has come down to, or below, the replacement level. One should say that we have indeed achieved successes in population control and economic and social development. But we must be soberly aware of the grim aspects of the population situation. First of all, population growth has not stopped. Though the birth rate has dropped a great deal, because our population is very big, the actual amount of increase each year is very high. According to the most achievable projections, the population in our country will continue to grow slowly until the 2030's, when it reaches around 1.5 billion and the growth will gradually come to a halt. With this knowledge, we can foresee the following problems:

First, our environment will continue to be subjected to enormous population pressures, an outstanding problem being that of cultivated land. According to an estimate, by 2030, the per-capita share of cultivated land will be 0.8-1 mu. The less the cultivated land, the higher its utilization rate and the weaker its sustainable productivity. It is a major challenge to enable a massive population to attain a relatively affluent livelihood. Our grain self-sufficiency mechanism will be vulnerable.

Second, we will face grave challenges on the employment front. In the coming half century, our labor resources will stay at the level of 820 million on average and will reach 890 million in 2020. This is more than

all the labor resources of developed regions around the world put together. In order to give full employment to this labor contingent of more than 800 million under the precondition of constantly improving labor quality and labor productivity, the secondary and tertiary industries will naturally be required to maintain a rather high growth rate and the acceleration of the urbanization process will also be needed to facilitate the transfer of rural surplus labor.

Thirdly, a high tide of aging is coming. After 2005, China will become an aged population. By 2040, there will be 294 million elderly people over 65, accounting for 19.5 percent of the total population. This proportion exceeds the level in North European countries, where the highest levels of aging are found, such as Sweden (18 percent). Moreover, in our country, the aging of the population is accompanied by a rise in the percentage of very old people [gao ling hua 7559 7881 0553]. A study has shown that when people have entered the ranks of the geriatric, they suffer from various forms of disabilities one fourth of the time and are unable to take care of themselves one tenth of the time. Therefore, we must make various material and psychological preparations and improve our social security system for the benefit of the senior citizens before our population is defined as an aged population.

The above-mentioned three issues are the challenges we will face in the future. In the final analysis, these problems are an issue of economy and sustained development. To find an ultimate solution for our population problem, in addition to continuing to control population growth rigorously, we must energetically develop our economy and strive to achieve the second-step and third-step strategic goals as quickly as possible.

#### Radios on Emulating Kong Fansen 10-27 Apr

HK0905085295

[FBIS Editorial Report] The following items on activities of emulating Kong Fansen were monitored from Chinese regional broadcasts between 10 and 27 April.

Guangzhou Guangdong People's Radio Network in Mandarin at 1000 GMT on 10 April carried a XINHUA report about the departure of a group from Beijing to other parts of the country to give briefings on Kong Fansen's deeds.

Kunming Yunnan People's Radio Network in Mandarin at 1000 GMT on 13 April carried a report on the leading body of the General Office of the provincial party committee making a decision on requiring cadres in various sections of the office to emulate Kong Fansen's noble spirit. The report also described how moved cadres were after learning about Kong's selfless deeds.

Xining Qinghai People's Radio Network in Mandarin at 2300 GMT on 13 April carried a report on the instruction of Secretary Yin Kesheng on 10 April on emulating Suonan Daje and Kong Fansen. The report said that after reading a signed article in QINGHAI RIBAO about the noble spirit of Suonan daje, Yin Kesheng set forth requirements for emulating the model cadres.

Guiyang Guizhou People's Radio Network in Mandarin at 2300 GMT on 14 April carried a report on a meeting held by the propaganda department of the provincial party committee on emulating Kong Fansen on the afternoon of 14 April. The meeting was attended by cadres in the department. The report said they expressed their feelings about Kong's deeds and their determination to emulate him.

Kunming Yunnan People's Radio Network in Mandarin at 1000 GMT on 15 April carried a report on a meeting on 14 April of more than 400 cadres at and above prefectural and provincial department chief level to watch a videotape on Kong Fansen's deeds. The report quoted the remarks of some officials, including two prefectural magistrates, about their feelings after learning about Kong's deeds.

Guiyang Guizhou People's Radio Network in Mandarin at 2300 GMT on 15 April carried a report about a meeting held on 14 April by the organization department of the provincial party committee on emulating Kong Fansen. At the meeting the director of the organization department called for emulating Kong's selfless, dedicated, honest, and loyal spirit in serving the party and the people. This was followed by another report about activities of emulating Kong Fansen organized by the party working committees of provincial departments among party members, cadres, and their entire staffs. The activities began on 7 April, and discussion meetings were held to promote the activities.

Xining Qinghai People's Radio Network in Mandarin at 2300 GMT on 15 April carried a report on activities of emulating Kong Fansen launched by the provincial trade department among cadres and workers in subordinate institutions. They were begun after RENMIN RIBAO published a report about Kong's deeds and were carried out in the form of holding discussion meetings and publishing newsletters.

Guangzhou Guangdong People's Radio Network in Mandarin at 0400 GMT on 16 April carried the circular issued by the General Political Department of the People's Liberation Army on carrying out activities of emulating Kong Fansen throughout the Army.

Zhengzhou Henan People's Radio Network in Mandarin at 1030 GMT on 16 April carried a report on a 16 April meeting, organized by the CPC central organization and propaganda departments and held in Zhengzhou's provincial people's meeting hall, to brief those present on Kong Fansen's deeds. Leaders at and above section chief level from all provincial departments, some city and prefectural leaders, and leaders of the provincial military district and the provincial armed police headquarters, totaling over 3,000 people, attended. The report said Governor Ma Zhongchen gave a speech after briefings given by people who were close to Kong Fansen. Ma expressed respects to Kong on behalf the provincial party committee and the entire people of Henan, and called for emulating Kong. The report was followed by a four-minute commentary on emulating Kong, which expounded on why and how Kong should be emulated by describing Kong's merits and nobleness of spirit.

Lanzhou Gansu People's Radio Network in Mandarin at 2300 GMT on 16 April carried its weekly commentary on the topic of emulating Kong Fansen, describing Kong's merits and nobleness of spirit, pointing out why and how he should be emulated, and saying that this is a necessity in order to enhance the party's prestige among the masses.

Xining Qinghai People's Radio Network in Mandarin at 2300 GMT on 16 April carried a report on the activities of emulating Kong Fansen in all parts of the province and in various departments, mentioning that emulating Kong is also combined with emulating a Tibetan cadre in Qinghai, who is cited as a local example. The report said the propaganda department of the provincial party committee held a meeting of cadres to exchange feelings about Kong's deeds and about the importance of emulating him, and mentions reactions in the leading organs and among officers and men of the Haidong Military Subdistrict.

Changsha Hunan People's Radio Network in Mandarin at 2300 GMT on 17 April carried a report about a meeting on 12 April held by the propaganda department of the provincial party committee and attended by leaders of 15 provincial departments related to propaganda work in which they studied RENMIN RIBAO's editorial on emulating Kong Fansen and exchanged work experiences in improving work style.

Nanchang Jiangxi People's Radio Network in Mandarin at 1100 GMT on 18 April carried a report about the meeting of the standing committee of the provincial party committee on emulating Kong Fansen held the same day. The report said that Secretary Wu Guanzheng and Mao Zhiyong, chairman of the provincial people's



congress, attended the meeting, at which participants expressed their feelings about emulating Kong's model deeds, and held that Kong was a Lei Feng and Jiao Yulu figure in the 1990's and an example for all party members, cadres, and especially leading cadres. They said that they should emulate Kong's firm loyalty to the party, his honest and dedicated spirit, and his down-to-earth working attitude. The report said that Wu Guanzheng expounded on the necessity and importance of emulating Kong, stressing the need to link the emulation of Kong with the study of Deng Xiaoping's theory and the spirit of the central meetings and with the practical work in improving party style. The report was followed by a two-minute commentary on emulating Kong.

Xining Qinghai People's Radio Network in Mandarin at 2300 GMT on 18 April carried a report on the meeting held in Xining on 17 April by the organization and propaganda departments of the provincial party committee on emulating Kong Fansen and Suonan Daje, a Tibetan cadre in Qinghai. The report said Secretary Yin Kesheng gave a speech at the meeting in which he expounded on the points that party cadres should learn from Kong and Daje, while cadres of the Xining City party committee, the provincial agricultural and forestry department, the provincial heavy industry department, the provincial public health department, QINGHAI RIBAO, and other units reported on the situation in emulating model figures.

Guangzhou Guangdong People's Radio Network in Mandarin at 0400 GMT on 19 April carried a report on the issuance of a circular by the propaganda department of the provincial party committee calling on the entire people of the province to emulate Kong Fansen. The circular, the date of which was not given, said that emulating Kong should be linked with the study of Deng Xiaoping's theory, with opposing corruption and the effort to improve the work style of leading organs, and with quickening the pace of reform and opening. The circular also enumerated all the merits of Kong worth emulation.

Changsha Hunan People's Radio Network in Mandarin at 2300 GMT on 19 April carried a report saying that the provincial party committee issued a circular on 19 April calling for carrying out activities of learning from Kong Fansen throughout the province. The circular said such activities should achieve solid results in improving the work style of party members and cadres. This was followed by another report which said that on 19 April party cadres responsible for propaganda work in Changsha City attended a meeting on emulating Kong. They exchanged feelings after learning about Kong's

deeds and pledged to learn to emulate Kong's noble spirit.

Kunming Yunnan People's Radio Network in Mandarin at 1000 GMT on 20 April carried a report that the party leading group of the provincial local tax bureau issued a circular requiring all cadres and workers in subordinate organs to actively respond to the call of the central organization and propaganda departments on emulating Kong Fansen. The circular said that leading bodies of all local tax bureaus would be improved through the activities of emulating Kong, and that the activities would also promote the fulfillment of the tax collection tasks. A second report said that cadres and workers in the government organs of Wuhua District of Kunming City actively emulated Kong and publicized his deeds among the masses. The district party committee had issued a circular on emulating Kong, and distributed material about Kong's deeds.

Xining Qinghai People's Radio Network in Mandarin at 2300 GMT on 20 April carried a report about a meeting held by the provincial committee of the Chinese People's Political Consultative Conference on emulating Kong Fansen. A number of vice chairmen and standing committee members attended, and in their speeches they affirmed the positive influence of Kong's deeds and called for emulating his selfless and dedicated spirit.

Fuzhou Fujian People's Radio Network in Mandarin at 2300 GMT on 20 April carried a report on a meeting held on the afternoon of 20 April by the central group of the provincial party committee to discuss how to emulate Kong Fansen. The meeting called on the entire party membership, especially leading cadres at all levels, to take the lead in emulating Kong. Secretary Jia Qinglin gave a speech, praising Kong as an outstanding model for CPC cadres in the 1990's, and expounded on the significance of emulating Kong. A second report said that on 20 April the propaganda and organization departments of the provincial party committee jointly issued a circular on mobilizing the entire party membership and all cadres in the province to emulate Kong Fansen and on arranging activities of giving publicity to Kong's deeds among the masses. The circular said that people should learn from Kong, and emphasized achieving solid results.

Kunming Yunnan People's Radio Network in Mandarin at 1000 GMT on 21 April carried a report that the organization and propaganda departments of the provincial party committee jointly issued a circular on emulating Kong Fansen. The circular cited Kong's merits and set forth a five-point plan for emulation activities among cadres at all levels and among the entire party membership, saying that the activities should be linked with



routine political and theoretical studies. Party committee leading bodies were required to make self-examination by comparing their own behavior with that of Kong.

Fuzhou Fujian People's Radio Network in Mandarin at 2300 GMT on 21 April carried a report that Governor Chen Mingyi, when inspecting work in Zhangzhou and giving instructions mainly on economic affairs, stressed the need to promote the activities of emulating Kong Fansen among cadres at all levels. A second report said that the organs under the provincial people's congress held a meeting on 21 April to mobilize activities of emulating Kong. Yuan Qitong, vice chairman of the standing committee, spoke at the meeting. He cited Kong's merits and enumerated the points that people should learn from Kong. He also said that the emulation activities should be linked with opposing corruption, improvement of work style, and other aspects of political studies.

Xining Qinghai People's Radio Network in Mandarin at 2300 GMT on 22 April carried a report that activities of emulating Kong Fansen were carried out among officers and men in the armed police force and among militiamen and cadres in some local people's armed forces, while departments in charge of militia work actively emulated Kong Fansen. The activities achieved positive results in boosting their work enthusiasm. The propaganda organs of some military subdistricts dispatched work teams to militia companies and platoons at grass-roots level and told them of Kong's deeds.

Nanchang Jiangxi People's Radio Network in Mandarin at 1100 GMT on 22 April carried a report that the organization and propaganda departments of the provincial party committee jointly issued a circular arranging activities of emulating Kong Fansen among the entire party membership and cadres. Party members were required to make a self-examination of their behavior and attitude by contrast with Kong's deeds in connection with study of the party constitution.

Haikou Hainan People's Radio Network in Mandarin at 2300 GMT on 22 April carried a report that the organization and propaganda departments of the provincial party committee and the party work committee of the provincial organs jointly held a meeting on 22 April to discuss how to emulate Kong Fansen. Responsible officials of relevant provincial organs and some cities and counties attended the meeting. Liu Xuebin, director of the provincial propaganda department, gave a speech stressing the need to emulate Kong in order to improve the conduct of the party membership. Other leading cadres also expressed their determination to emulate Kong.

Guiyang Guizhou People's Radio Network in Mandarin at 2300 GMT on 22 April carried a report that the organization and propaganda departments of the provincial party committee and some other provincial organs jointly held a meeting to discuss how to emulate Kong Fansen. Leading cadres from various provincial departments and organs attended the meeting, and over 10 of them talked about their feelings about Kong's deeds and expressed determination to emulate Kong and improve their work. Wang Siqi, deputy secretary of the provincial party committee, expounded on the far-reaching significance of emulating Kong, and set forth requirements for the emulation activities.

Kunming Yunnan People's Radio Network in Mandarin at 1000 GMT on 25 April carried a report on a meeting on 25 April held by the organization and propaganda departments of the provincial party committee and attended by some department leaders of the provincial party committee and the provincial government and some factory directors and managers. The participants exchanged feelings about emulating Kong Fansen. Meng Jiyao, director of the organization department, stressed that leading cadres must emulate Kong, and reiterated the significance of the emulation activities.

Fuzhou Fujian People's Radio Network in Mandarin at 2300 GMT on 25 April carried a report about a meeting held on 25 April by the organization and propaganda departments of the provincial party committee on giving publicity to and emulating Kong Fansen. The meeting was attended by Chen Yingguan, director of the organization department, and leaders of some provincial departments and the organization and propaganda cadres of the Fuzhou, Putian, Quanzhou, and Nanping City party committees. The meeting participants discussed how to promote the emulation of Kong Fansen in connection with their own conditions, exchanged work experience, and put forth many good proposals.

#### **Wang Xizhe Protests Extension of Parole Terms**

*HK0905034595 Hong Kong AFP in English  
0320 GMT 9 May 95*

[FBIS Transcribed Text] Beijing, May 9 (AFP) — A Chinese dissident leader in the 1979 Democracy Wall movement has protested to the central government over an extension of the strict parole terms imposed after his release in 1993 from a 14-year jail term. In a copy of the protest letter faxed to foreign journalists Tuesday, Wang Xizhe complained that the terms of his parole, which should have ended April 28, had been extended to the end of 1999.

Wang's release after serving 12 years of his sentence, coincided with the freeing of numerous dissidents as

part of China's charm offensive to support its failed bid to host the 2000 Olympic Games.

Wang, from the southern province of Guangdong, said the provincial procuratorate had announced on the day his sentence officially expired that he would not be allowed to leave the province for the next four years. At the same time, his daily police surveillance will be continued as will the requirement for him to report regularly to the authorities in Guangzhou.

"I cannot tolerate the situation any longer," Wang said, adding that he intended to travel to Beijing to file an appeal against the extension with the Supreme Court, despite a warning that he "must suffer the consequences" of any such action.

Wang, a former factory worker in Guangzhou, was arrested in 1981 and sentenced to 14 years for "spreading counter-revolutionary propaganda," forming a "counter-revolutionary group" and inciting the masses to defy the state. Wang had previously been detained for five years for co-authoring a pro-democracy article "On Socialist Democracy and the Legal System," which was pasted up as a wall poster in 1974. Released in 1979, he played a major role in the Democracy Wall movement, assisting in the production of several pro-democracy journals.

Wang has always maintained his innocence of counter-revolutionary charges, and wrote some 50 letters of appeal while in prison, but never received an answer. "I merely wrote some soft articles that contained words that criticised the government. This would not be a crime in any civilised country," Wang said in his letter to the government. He also likened his persecution to that of pro-communist intellectuals by the nationalist Guomindang government in the 1930s. "I hope that all compatriots in Hong Kong, Taiwan and Macao can understand, sympathise and support my position, he added.

#### **No Word of Dissident's Arrested Mother**

*HK0905075995 Hong Kong EASTERN EXPRESS  
in English 9 May 95 p 6*

[By Didi Tatlow]

[FBIS Transcribed Text] Eight months after her arrest in mid-September 1994 there is still no word on the condition or whereabouts of Xin Hong, the mother of the Chinese political exile Gao Peiqi.

Xin Hong, 68, was picked up by public security officials in the Hong Qiao district in the northern Chinese metropolis of Tianjin.

Her son, a former high-ranking official in the Shenzhen Public Security Bureau [PSB], fled China in 1992

after reportedly helping Chinese dissidents escape the country.

Xin was charged with leaking state secrets, a charge her son characterised recently as "unfounded and absurd"

Gao has had no word of his mother's condition or further news of her whereabouts since the first reports of her arrest.

Early reports from non-family sources said Xin was transferred to Tianjin Prison after a short period of being locked up in Hong Qiao district detention centre.

No reports have been received of a charge, trial or conviction, nor is it known how long her sentence, if any, is scheduled to run.

Xin retired in 1986 after 30 years working for the Hong Qiao District Coal Company in Tianjin.

Her arrest came at the end of a campaign of harassment of Gao's family by unidentified PSB officers, who threatened to arrest his sister Gao Weilian. His family home in Shenzhen was searched and his mother, sister and niece evicted. The family moved back to Tianjin shortly after Gao's niece, Zhao Xiaogang, 7, was expelled from her school in Shenzhen.

From his home in Britain Gao reported subsequent "ceaseless interrogations and police surveillance" of his family after their move back to Tianjin. Police even interrogated his niece, he charged.

Due to "horrible threats" from PSB officers, Gao's family did not inform him of his mother's arrest. He was told by other contacts, he said.

Gao was arrested in February 1990 for his support of the 1989 democracy movement. He escaped to Hong Kong in 1992 and left for Britain after claiming continued harassment by the mainland security apparatus in Hong Kong.

#### **Science & Technology**

##### **Scientists Reach North Pole, Raise Flag**

*OW0705024195 Beijing XINHUA in English  
0206 GMT 7 May 95*

[FBIS Transcribed Text] North Pole, May 6 (XINHUA) — Seven Chinese scientists reached the North Pole at 02:55 GMT today after 13 days of extremely difficult trip on the ice of the Arctic sea.

They raised a five-star red flag, the national flag of China, to mark their arrival at the North Pole.

This was the first time that a group of Chinese left their footprints on the most northern point of the Earth.



The Scientists started their trip toward the North Pole on April 24 from a point at 88 degrees north latitude and in the following days they braved severe cold and snowstorm and conquered ice splits and shifts.

During the 350-kilometer trip, they conducted a comprehensive study as scheduled on ice, ocean, atmosphere and environment and carried out a geodetic survey and remote-sensing.

Another group of nine Chinese scientists later flew to the North Pole to join their team-mates.

So far they have completed the fieldwork at the last stop of their first North Pole expedition, according to the scientists.

#### **Nation To Set Up Engineering Research Centers**

OW0705130695 Beijing XINHUA in English  
1238 GMT 7 May 95

[FBIS Transcribed Text] Beijing, May 7 (XINHUA) — China plans to set up some 200 engineering technology research centers by the end of this century.

The move is designed to promote the commercialization and industrialization of scientific achievements, officials of the State Science and Technology Commission told XINHUA here today.

According to the plan, China will have 30,000 to 40,000 outstanding engineering technology researchers by then.

Of the 200 centers, 30 will be in the fields of agriculture and basic industry respectively, some 40 for mainstay industries, 60 for new industries, and 40 for science pioneering and social development.

The centers will undertake key state projects, develop technology which can be directly applied to commercialized production, tackle technical problems related to engineering issues, and absorb advanced foreign technology.

The construction of the centers will be arranged by the government and mostly based in prominent research institutes. Since 1991, 55 such centers have been built and put into operation, covering energy, transportation, posts and telecommunications, micro-electronics, crucial raw materials, industrial automation and medicine. The centers have produced good economic returns, promoted the technical renovation of enterprises, and advanced the high-tech industries through the transfer of technology to enterprises, according to the State Science and Technology Commission.

Thirteen centers which were completed recently have turned out 307 achievements at international or domestic levels as well as a number of technology-intensive products, according to Li Maoming, deputy secretary-

general of the commission. In addition, the centers have transferred technology to nearly 380 enterprises, which have produced five billion yuan-worth of additional output value for the enterprises.

#### **Meeting Approves Funds for Research, Development**

OW0805141495 Beijing XINHUA in English  
1330 GMT 8 May 95

[FBIS Transcribed Text] Beijing, May 8 (XINHUA) — The Chinese Government has recently promised a dramatic increase in the amount of investment in scientific research and development in years to come, officials said here today.

At a recent executive meeting of the State Council, chaired by Premier Li Peng, it was agreed that funds for scientific research and development (R&D) will account for 1.5 percent of the gross domestic product (GDP) by the year 2000, about one percentage point higher than for 1994.

China invested 22 billion yuan last year in scientific R&D programs, about 0.5 percent of the GDP that amounted to 4.38 trillion yuan.

A lack of funds has not only affected China's R&D, but also its economic efficiency.

Officials from the State Science and Technology Commission (SSTC) said that China's average annual investment in scientific R&D programs has been growing slowly, but the ratio between R&D funds and GDP dropped from 0.71 percent in 1990 to 0.5 percent in 1994.

Those at the State Council meeting also decided that the state's budget for R&D should grow by a higher rate than that of the State revenues, officials said.

The meeting also agreed that more time is needed to consider the proposals by the SSTC, which demands preferential treatment in taxation for hi-tech parks and hi-tech products, and tax exemptions for technical services offered by scientific institutions.

To improve management of science and technology, the State Council ruled that at least two executive meetings of the State Council should be held each year to discuss science and technology.

Officials say it is of great significance that China achieve sustained and rapid economic development by relying on scientific and technological progress.



**Commission To Promote Science, Technology**

*OW0905104495 Beijing XINHUA in English  
0941 GMT 9 May 95*

[FBIS Transcribed Text] Beijing, May 9 (XINHUA) — China will engage in international scientific and technological cooperation "on the largest scale and in the most effective way" in the coming years, sources at the State Science and Technology Commission said here today.

One of the attractive items is to introduce around 1,000 items of agricultural technology from other countries in the next five years.

The State Science and Technology Commission will help agricultural departments in using improved grain varieties, advanced agricultural technologies and agricultural equipments in order to develop high-output agriculture and to improve low-yielding land.

According to a news release by the commission, China will take international cooperation in science and technology into account when it draws up its Ninth Five-Year Plan (1996-2000) and a long-term development program for the period to the year 2010. Such cooperation is intended to help crack the "hard nuts" in the country's economic development, it said.

To help the long-indebted large and medium-sized State enterprises, new technologies, products and improve management will be introduced through international cooperation. The State will also seek using of foreign talents and funds for enterprises.

High-tech development zones in China will also enhance exchanges with their foreign counterparts while borrowing experiences from them. The zones will be developed in line with international standards in management, financial system and property right system to become China's new industrial bases.

The construction of some key projects, including the Three Gorges Dam Project, express railways and magnetic-suspension trains between Beijing and Shanghai, an information super-highway and high-clarity color TV, which is underway or under preparation now, is of great significance to China's national economy and social development. The State Science and Technology Commission will continue to provide services and help to these projects through means of international scientific and technological cooperation, sources from the commission said.

It is learnt that China has so far established scientific and technological cooperation and exchanged relations with the world's more than 130 countries and regions, including 86 which have signed inter-governmental

cooperation agreements with China. Two-thirds of the agreements were signed after China took up the policy of reform and opening-up to the outside world in the early 1980s.

Since 1979, when Chinese leader Deng Xiaoping visited the United States and signed a scientific and technological cooperation agreement between the two countries with President Jimmy Carter, China has conducted several thousands of cooperation projects with the U.S., including China's digital earthquake monitoring network, which was jointly set up by the two countries.

**Military & Public Security****Minister Joins Fujian Labor Day Celebrations**

*HK0805061695 Fuzhou Fujian People's Radio  
Network in Mandarin 2300 GMT 1 May 95*

[FBIS Translated Text] On the morning of 1 May, General Chi Haotian, member of the Central Military Commission, state councillor and defense minister, joined the masses from various circles in Xihu Park of Fuzhou in the activities celebrating International Labor Day. The Xihu Park was full of a happy and harmonious atmosphere for the holiday.

General Chi Haotian, General Gu Hui of commander of the Nanjing Military Region, Fujian provincial and Fuzhou City leaders Jia Qinglin, Chen Mingyi, He Shaochuan, Ren Yonggui, Xi Jinping, Song Jun, Tong Wanheng, Liu Jinmei waived hands to the masses in the park and met with model workers. At the same time, together with the masses, they watched art performances in the park.

**Secretary Stresses Public Security Committees**

*SK0905072995 Beijing BEIJING RIBAO in Chinese  
21 Mar 95 p 1*

[FBIS Translated Excerpt] On the afternoon of 30 March, at the report-back meeting on Xicheng District's experimentation for maintaining public security, Chen Xitong, secretary of the municipal party committee, stressed: Public security organizations must be strengthened. Party and government leaders at all levels should personally take part in this work. The "anti-burglar system" should be installed among the masses to maintain public security through the efforts of the masses and special forces with a view to further improving public security of the capital.

At this report-back meeting held at the Xichangan sub-district office, Li Binghua, secretary of the Xicheng District Party Committee, made a report on the experimentation conducted among public security committees. In

line with the arrangements and demands of the municipal party committee, Xicheng District has, since mid-February, conducted investigation, consolidation, and reorganization of some selected public security committees in the district on an experimental basis. Now, the experiences gained from this experimentation are under spreading and comprehensive consolidation and reorganization is under way. Now, there are 479 residents' public security committees in the district, accounting for 99 percent of the total number of residents' committees. Of these public security committees, 92 percent have been played a good role or have been able to play their due role. There are also 1,701 public security groups and more than 28,000 public security activists in the district. Among government units, there are 577 public security committees, accounting for 99 percent of the total number of government units. There are also 3,119 public security groups and more than 10,000 public security activists. Based on investigation, the district has set forth principle opinions and specific methods with regard to the organizational construction, duties and tasks, work systems, discipline and style of work, material guarantee, and leadership of public security committees. The district has also conducted consolidation on an experimental basis among a group of difficult spots of different types, including cultural and recreational places, country fairs and markets, individually run shops, small newly built residential districts, the units subordinate to the central and municipal authorities, schools, and construction sites. In addition, public security committees have been established among 30 construction sites, five song and dance rooms, 40-odd units subordinate to the central and municipal authorities, four country fairs and markets, and two small newly built residential districts. The Xicheng District Public Security Sub-bureau has also formulated the opinions on building the ranks of public security workers and strengthening guidance to the work of public security committees. This move has been well received by the broad masses of the people. [passage omitted]

Chen Xitong said in his speech: I have learned much from your reports. The whole municipality must build public security organizations well. Party and government leaders at all levels should personally take a hand in this work. We should install the "anti-burglar system" among the masses and mobilize the masses to prevent crimes and maintain public security together with special forces in order to further improve public security of the capital. To further improve the capital's public security, we must get on with the construction in two basic fields: 1) the construction of the ranks of public security workers; and 2) the construction of the ranks of mass activists and, in particular, public security organizations. Public security activists serve as the bridge

and vanguards. To follow the mass line and to truly mobilize the initiative of masses, we should depend on backbone and active elements. By successfully building up the ranks of public security activists in the near future, we mean, specifically speaking, building well public security committees. Here lies the key. Building well public security committees among most units will bring along the work in many fields, such as the security responsibility system, the leader responsibility, the construction of residents committees and neighborhoods, the work on mediation committees, and the work on urban construction. And, through strengthened public security committees, we will do even more concrete and good things for the masses. In a considerably long period of time, the construction of public security committees should be considered the central link and the point to make breakthroughs in order to help implement a series of security work. Public security committees are the most essential mass organizations at the most basic level. Only by successfully building public security committees can we attain the goal of preventing crimes and maintaining public security through the efforts of the masses in a regular manner. We should install the "anti-burglar system" among the masses and try every possible means to ensure the security of localities. The practice in the preceding period has proven that the endeavor of strengthening public security organizations conforms to the will and aspirations of the masses and garners the support of the masses. Hence, it should be grasped firmly and unswervingly. [passage omitted]

#### Ministry Plans To Reform Security System

HK0705065295 Beijing CHINA DAILY in English  
6 May 95 p 2

[Article by Cao Min: "State Plans Reform of Security System"]

[FBIS Transcribed Text] The Ministry of Public Security is reforming the outdated public security system in State-owned enterprises and institutions, especially large ones, according to a senior official with the ministry.

Speaking via a national telephone conference yesterday, Public Security Minister Tao Siju said that the system—integrating government administration with enterprise—has not been suited to the needs of the establishment of a socialist market-oriented economy and the deepening reform in the enterprises.

"It is an important measure to strengthen and maintain public order under new circumstances," Tao said.

Since the founding of the People's Republic in 1949, especially in the early 1980s, some special public security organs were set up under the dual leadership of the enterprises and local public security departments.



The function of these organs was to help police maintain public order within the enterprises which are located in suburbs or remote regions.

In past years, these security persons kept order within the State-owned enterprises, the State Councillor Luo Gan also said during the teleconference.

However, some regions established such organs overstepping their authority, which created a bad impression, Luo said.

By the end of this year, about 8,000 special public security organs, set up under the planned economy in State-owned enterprises, will be disbanded.

Nearly 150,000 security staff in such organs will be resettled.

Most of them will remain in their enterprises but as ordinary security personnel with the function of police.

About one-third of them will be employed as policemen in local public security departments under special conditions.

The legal representative of each enterprise now is in charge of keeping order within the firm.

#### **Security Bureau Head Views Gun Trafficking**

*HK0805060095 Hong Kong TZU CHING in Chinese 5 Apr 95 pp 72-75*

["Observation Tower" column interview with Zhu Jiahua, head of the Security Management Bureau of the Ministry of Public Security, by Xu Yaya (1776 7161 7161): "Illegal Firearms, a Hidden Threat to Public Order — a Glance at Current Situation of Illegal Firearms in China"]

[FBIS Translated Excerpt] [passage omitted] Since 1993, 160 officers and men of the Guangxi Border Armed Police Corps have been wounded in the course of tracing illegal firearms. In spite of this, they have arrested 283 firearm traffickers and have seized 1,876 guns of various types, of which 391 were for military use, as well as 470 antitank grenades and hand grenades.

In addition to Guangxi, there is Yunnan.... The "Dark Channel" threatens the peace.

In 1992, the Ministry of Public Security called the Conference on the Work of Tracing Illegal Firearms and Drugs. Since then, Yunnan and Guangxi have arrested over 400 illegal gun traffickers and seized nearly 700 military guns. These achievements were at the expense of the lives and blood of intelligent and brave public security and armed police officers like Hong Mei. However, the instinct of the "poisonous snakes" to make money makes them act wildly in spite of the

dangers. Statistics show there were 1,429 cases of gun smuggling and trafficking throughout China in 1993, up 18.6 percent from 1992. In January 1994, the Beijing Municipal Public Security Bureau smashed a criminal gang that had planned armed robberies, seizing one submachine gun and nine pistols. These military guns had entered into Beijing through the "Dark Channel."

On the question of seizing illegal firearms as an important measure, I [the author] interviewed Zhu Jiahua, head of the Security Management Bureau of the Ministry of Public Security. The first issue he discussed was firearm smuggling and trafficking in the border areas.

"Where do the gun traffickers come from?" asked this reporter.

The bureau head said: "The lawbreakers come not only from the border areas but also from the hinterland and coastal areas. There are lawbreakers from Hong Kong and Macao as well. According to the latest information obtained, the illegal firearms now include submachine guns, machine guns, and even rocket launchers and bangalore torpedoes.

#### **"A Lighter" Takes His Life**

I asked the bureau head: "Which is greater in China: the number of smuggled illegal firearms or that of illegal firearms manufactured in China?"

The bureau head sighed and told me a story or an "incident."

Not long ago, a manager from northern China went in a car for a meeting. He left his cigarette lighter in the car. The chauffeur waited and waited. Bored, he picked up the lighter to light a cigarette. Unexpectedly, a steel ball shot right through the chauffeur's eye into his brain as he flicked the lighter. It took his life there and then.

"This is it," said the bureau head as he took a glittering and heavy rectangular lighter from his desk. "This is called a lighter self-defense device. In the south, each such device costs 1,000 yuan."

I was stunned when I heard this.

"Of all illegal firearms, military guns are mostly smuggled from outside the borders. Most of what we have seized in China are powder guns, refitted guns, steel-ball guns, tear-gas guns, stun guns, and other defensive devices. The "lighter" you have just seen is one of them."

The "Type-92 self-defense lighter" shone brightly under the sun. I picked it up, and looked closely at it, then asked: "What are the police going to do about this?"

"A document was issued in 1993 restating the relevant regulations: "The production, sale, and possession of



devices capable of launching steel balls, whether lighter-type or fountain-pen-type or others, are all banned. All that remain in circulation in society shall be seized once they are found."

"You said the document was a 'restatement,' so what regulations had been in force?"

"In November 1986, the Ministry of Public Security, the Ministry of Light Industry, the Ministry of Commerce, the Ministry of Foreign Economic Relations and Trade, and the State Administration for Industry and Commerce jointly issued the Notice on Banning the Production and Sale of Imitation and Toy Guns. In November 1989, the Ministry of Public Security issued the Notice on Banning the Production, Sale, and Use of Imitation Pistol-Type Electric Stun Guns." On 26 April 1993, the Ministry of Public Security issued the Notice on Strictly Banning the Production and Sale of Imitation Guns Such as Steel-Ball Guns, Stun Guns, and Tear-Gas Guns. The authorities have reiterated their position again and again. For two years, in a succession of nationwide inspections and raids, we have traced the sources and flows of over 930,000 steel-ball guns, over 7,000 pen self-defense devices, and over 8,000 multifunctional self-defense devices that are capable of launching steel balls. We have seized and destroyed them. What we are going to do next is...."

"For the time being, please do not say what you are going to do next." I interrupted the bureau head and asked him: "Why are you making such great efforts to trace and seize them? Are there still 'lighter' steel-ball guns of this type in circulation in society?"

The bureau head smiled and said: "Money."

"What?"

"The temptation of high profits. An enquiry shows that the cost of each steel-ball gun ranges between 30 and 40 yuan. But after it has changed hands several times, its sale price can reach 1,000 yuan. Jiangsu discovered more than 20 illegal advertising agencies. They had sent letters to addresses from the national telephone directory promoting the sale of their 'security devices' and thus received 50 percent of the deposits. A small number of firms and units that defy national laws and regulations supply 'goods' to them, thus making illegal firearms a hidden threat to public order."

"Look at Article Five," he said as he opened the Notice on the Seizing of Illegal Firearms and Ammunition and the Strengthening of the Control of Firearms and Ammunition.

Article Five includes this provision: "A factory licensed by the State Council to produce firearms and ammunition

must not produce more than has been planned or sell firearms and ammunition without permission. If it violates this, its illegal income will be confiscated and its legal person will be charged with illegally selling, manufacturing, and trafficking in firearms and ammunition." Moreover, there is this provision for production units that illegally manufacture and sell military guns, civilian guns, imitation guns, and defense devices: "It is necessary to strictly ban them and confiscate their illegal income and production tools and to affix legal responsibilities to the persons concerned according to the law." [passage omitted]

#### Not That We Have Succeeded in The Crackdown

China has always exercised strict control of firearms and ammunition, which are not ordinary commodities. All units and individuals are strictly forbidden to illegally possess any type of firearm and ammunition. Smuggling, possession without permission, illegal manufacturing, transporting, or trafficking in firearms and ammunition are serious criminal acts. An overall view of gun-related cases in China shows that they are very closely related to the illegal possession of firearms and ammunition. Although illegal guns in circulation in society are a "thorn in the flesh" of the masses, they are the criminals' "poisonous fangs." An important reason for the occurrence of armed robberies, armed duels, armed thefts of national wildlife, and armed confrontation with public security organs in recent years is that lawbreakers can easily obtain firearms.

There is no denying the fact that "illegal guns" have become harmful to society and must be dealt with properly, that is, through the tracing and seizing of illegal guns.

However, it is not easy to deal with the problem because one does not have a map with which one can trace the guns.

There was a gun-seizing campaign around 1981. It brought order to the chaotic gun control situation which occurred during the 10 years of the Cultural Revolution. In September 1992, the Ministry of Public Security once again issued a notice on seizing illegal firearms and ammunition, took action, and so laid a solid cornerstone for social stability.

However, reality reminds us that we have not been able to keep guns under proper control yet. It is precisely because of the unsound gun control laws and regulations, objectively speaking, that there is a vicious cycle: public security organs are making very great efforts to trace and seize illegal guns, yet many illegal guns and ammunition continue to circulate through various channels.

On 29 August 1994, the Ministry of Public Security issued another notice on launching a large-scale nationwide campaign to trace and seize illegal guns and ammunition.

The nationwide campaign coincided with the campaign to crack down on criminal activities and restore public order. Public security organs in all localities, therefore, incorporated the seizing of illegal guns as an important part of their crackdown. They formulated specific plans to seize guns, and through great efforts were outstandingly successful. [passage omitted]

#### **Officers Urged To Study High Technology**

*HK0905041495 Beijing JIEFANGJUN BAO  
in Chinese 12 Mar 95 p 1*

[Report by Su Ruozhou (5685 5387 5297): "General Staff Headquarters Sets Standards, Requirements for the Study of Military High Technology by Cadres Throughout the Army"]

[FBIS Translated Text] Beijing, 11 Mar (JIEFANGJUN BAO) — This reporter has learned from the department concerned that, to enable cadres throughout the Army to study military high-tech knowledge more solidly and effectively, the General Staff Headquarters recently issued a circular setting standards and requirements for the contents of military high-tech knowledge to be studied by cadres at various levels and by leading cadres' organs, and the methods to be used.

The circular called on detachment cadres to pay more attention to the study of basic knowledge, understand the basic knowledge of military high technology and the classification and work principles of high-tech weaponry, thoroughly understand the tactical and technical functions of high-tech weaponry related to their arms of services and specialties as well as their effects on the detachment combat activities, skillfully operate weapons at their disposal, and use military high-tech knowledge to design tactical situations and organize detachment tactical training under military high-technology conditions.

Divisional and regimental cadres and leading cadres' organs should, on the basis of understanding the general knowledge of military high technology, focus on studying the classification and work principles of high-tech weaponry, be familiar with the tactical and technical functions of the enemy's principal military high technology, know how to apply high-tech weaponry on the battlefield and its effects on campaigns and battles, be able to use military high-tech knowledge to design the training contents of combined tactics courses at their own level, use what they have learned to study methods

of operation, and organize tactical training under high-tech conditions.

The requirements set for cadres at or above the army level and for leading cadres' organs are: They must understand the tactical and technical functions and development trend of the enemy's high-tech weaponry, understand the tactical and technical functions of the existing high-tech weaponry in our Army, be able to use military high-tech knowledge to design the training contents of campaign courses and organize campaign tactical training, and, in conjunction with operational tasks, lead troops in exploring new methods of operation according to new operational patterns.

The General Staff Headquarters calls on cadres at all levels throughout the Army to view the study of military high-tech knowledge as a long-term, important task of strengthening China's modernization construction and improving cadres' knowledge, to study it effectively and fruitfully, and to apply what they have learned to guide and promote the continuous in-depth development of the study of operational methods and training reform.

#### **Commanders Train for Combined Operations**

*HK0905041895 Beijing JIEFANGJUN BAO  
in Chinese 24 Mar 95 p 1*

[Report by Guo Dongsheng (6753 2639 0581) and special correspondent Jie Yongxing (4634 3057 2502): "Efforts Exerted To Train Commanders in Combined Ground, Naval, and Air Operations"]

[FBIS Translated Text] Since last year, results have been achieved gradually by military units carrying out experimental training projects in joint actions of ground, naval and air forces, and more military commanders for joint operations have been trained.

A major purpose of the experimental training project is to enable commanders to organize joint exercises of the three forces in peacetime and to command joint operations of the three forces in wartime. The units of the ground, naval, and air forces assigned to carry out such training projects selected a number of outstanding staff officers, who were sent to study in the commander training academies of different forces; thus officers from the ground force studied knowledge of the naval and air forces, officers from the naval force studied knowledge of the ground and air forces, and officers from the air force studied the knowledge of ground and naval forces. They systematically studied and mastered the theoretical knowledge for combined operations. The military units concerned also exchanged division and regiment commanders so that they could learn the command skills of difference forces and receive further



training in the command posts of difference forces. The staff officers selected to receive such training gained a better understanding of routine operations of the command organs in other military forces and the procedures and means of commanding military operations.

They broke longstanding barriers between different forces in their military training, sent officers to units of different forces to give lectures, exchanged military knowledge and military academic research results between difference forces, broadened the vision of the commanders, and increased their knowledge. Commanders were organized to visit and practice in all of the ground, naval, and air forces. They were helped to understand the tactical and technical functions and properties of major weapons and equipment so that they would increase their knowledge about weapons. The method of coordinated command and combined operations was adopted. That is, different units carried out training on the same subject, and two to three commanders were selected from each of the three forces to coordinate separate military training so that their ability to command combined operations could be enhanced. The war exercises were separately commanded mainly by officers from the three forces so that they could enhance their ability to command forces in real wars. The officers were also organized to study combined operations tactics under high-tech conditions. Commanders and staff officers of the three forces jointly carried out academic research, held academic symposia on the operation against air raids, and prepared 417 academic essays for the symposium. This not only advanced their tactical studies, but also increased commanders' knowledge about combined operations and increased their ability to actually command such operations.

#### PLA Promotes Ethnic Tibetan Officers

OW0605113895 Beijing XINHUA in English  
0816 GMT 6 May 95

[FBIS Transcribed Text] Lhasa, May 6 (XINHUA) — More than 100 officers of the Tibetan ethnic background have been promoted to posts at regimental, divisional and area command levels in the Chinese People's Liberation Army [PLA].

The number of Tibetan officers at grassroot units totalled 1,000.

This was led by the implementation of a decade-long preferential policy for training of ethnic minority officers, said a local army officer.

Over 30 high-ranking Tibetan officers have been sent to study at military institutes since 1980s.

Statistics showed, 90 percent of the Tibetan officers have received college education.

#### \*Minister Tao Siju on Police Law

95CM0209A Beijing RENMIN GONGAN BAO  
in Chinese 2 Mar 95 pp 1-2

[Interview with Tao Siju (7118 7475 7467), minister of public security, by RENMIN GONGAN BAO correspondent; place and date not given: "People's Police Law a Milestone In Legal Construction"]

[FBIS Translated Text] The PRC People's Police Law was adopted by the 12th meeting of the standing committee of the 8th National People's Congress on 28 February. Minister of Public Security Tao Siju was interviewed by this newspaper about this law.

[RENMIN GONGAN BAO] Tell us about the significance of the enactment and implementation of the Police Law.

[Tao Siju] The People's Police Law is a basic law for China's people's police system and an important weapon with which the people's police can protect national security and social law and order in the new era. The enactment of the law is a major event in China's socialist democratic and legal construction, a major event in the political life of people's police nationwide, and a milestone in people's police legal development. The law was enacted in response to the new situation of reform and opening and the creation of a socialist market economy after in-depth study and soliciting opinions from every quarter. We reviewed in earnest the enforcement of the People's Police Regulations enacted in 1957 and used as reference the positive experiences of modern police systems around the world. Since the 3d Plenum of the 11th CPC Central Committee, there have been profound changes in China's political, economic, and social situations. The people's police are faced with a fresh set of complex circumstances in the new era as it works to protect national security, political and social stability, and law and order. Its tasks have become more arduous and daunting. In recent years, in particular, violent crime has been increasing steadily, seriously jeopardizing social law and order and threatening the safety of the masses' lives and property. There are many issues in law enforcement that urgently require resolution through the legislative process in order to integrate the revolutionization, standardization, and modernization of the people's police contingent into the socialist legal system even more closely. Therefore, the enactment of the People's Police Law after reviewing our experience in enforcing the People's Police Regulations meets an acute need not only in protecting national security, political stability, and social

law and order, but also in strengthening the contingent of people's police.

The enactment and implementation of the People's Police Law is enormously significant for further developing socialist democracy and improving the socialist legal system, accelerating the build-up of the contingent of people's police, safeguarding personal safety and freedom and other legitimate rights and interests of citizens, and ensuring that the people's police exercise their powers and functions in accordance with the law, effectively prevent crime and punishing criminals, preserve social and political stability and law and order, and protect reform and opening and the smooth execution of socialist modernization.

[RENMIN GONGAN BAO] What is the guiding thought behind enactment of the People's Police Law? What is its main content?

[Tao] The guiding thought behind the People's Police Law is this: Make sure the state exercises leadership and control over the people's police in accordance with the law, but also make sure that the people's police carry out their duties and functions, exercise their powers, and fulfill their responsibilities as provided by law; realize the basic purpose of the people's police, which is to serve the people; make sure that the people exercise supervision over the people's police effectively in accordance with the law; and integrate people's police's work into the orbit of the socialist legal system.

The main content of the People's Police Law consists of the following:

First, it clearly lays down the basic duties of the people's police. Under the People's Police Law, the people's police have the following duties: Protect national security; protect law and order in society; protect the personal safety and freedom and legitimate property of citizens; protect public property; prevent and punish illegal criminal activities; and ensure the smooth execution of reform and opening and socialist economic construction. This fully shows that the people's police are vital tools in the hands of China's people's democratic dictatorship and a national law-and-order administrative force of an armed nature.

Second, the People's Police Law ensures that the state leads and runs the people's police in accordance with the law. The People's Police Law includes clear provisions specifying the responsibilities of the people's police; their organization, leadership, and management; police safeguards; and law enforcement and supervision. These provisions not only write into law the important role and functions of the people's police in China's people's democratic dictatorship, but also legally establish the

basic principle that the state shall exercise leadership over the work of the people's police and strictly manage their ranks in accordance with the law. These provisions will help the people's police better adapt their work and its build-up to the needs of national democratic and legal construction and socialist economic construction. They also will ensure that the people's police will be a contingent that the party and people can trust forever, that their will always be a force that is politically qualified, well-trained, professionally competent, just in enforcing the law, highly disciplined, and honest and upright, and that can weather any storm.

Third, the People's Police Law ensures that the people's police fully discharge their duties and responsibilities within the limits of their authority in accordance with the law. To meet the needs of the new situation, the People's Police Law spells out explicitly people's police duties and responsibilities and the limits of their authority. It includes a number of new provisions not found in the 1957 regulations. These new provisions will be powerful weapons in our war on those who endanger national security and disrupt law and order in society.

Fourth, it ensures that the specialized work of people's public security organs will be even better aligned with the mass line. The basic goal of the people's police is to serve the people. Therefore, the People's Police Law stipulates that the people's police must rely on the people's support, remain in close touch with the people, listen attentively to the people's opinions and suggestions, submit to the people's supervision, protect the people's interests, and serve the people wholeheartedly. Not for a moment can the people's police's work do without the caring and support of all social quarters and the common people. It is clearly written in the People's Police Law that the people's police will carry out their duties and responsibilities in accordance with the law and that citizens and organizations should support and assist them. When a citizen or organization assists the people's police in carrying out their functions with outstanding results, he or it shall be commended and rewarded. When a citizen or organization is injured or killed or suffers property loss in the course of assisting the people's police in carrying out the latter's duties, he or it shall be compensated in accordance with the relevant state regulations. The People's Police Law also stipulates that to meet emergency needs in performing their duties, the people's police may use the means of transportation and communications and sites and buildings of government departments, organizations, enterprises, institutions, and individuals. However, the people's police must promptly return them after use and pay for the expenses involved. If losses are incurred, the people's police will also pay damages. These pro-



visions are a legal weapon that will ensure that citizens and organizations support and assist the people's police in discharging their functions. They are also an important guarantee that the people's police rely on the masses in carrying out their duties within the limits of their authority.

Fifth, the People's Police Law ensures that organs of legal supervision, all quarters in society, and citizens supervise the work of the people's police and law enforcement. To ensure that state police power is properly exercised, the People's Police Law expressly includes a chapter called "law enforcement supervision" even as it confers law enforcement power on the people's police. This is necessary not only to prevent the people's police from abusing their power and encroaching upon the citizen's legitimate rights and interests, but also to ensure that the people's police discharge their duties and functions in accordance with the law. The people's police must submit to the supervision of state power organs, procuratorial organs, and administrative supervisory organs. In addition, they must submit to the supervision of all quarters in society and citizens. To ensure that citizens and all quarters in society exercise effective supervision over law enforcement activities of the people's police, the People's Police Law also includes a chapter on "obligations and discipline" which spells out unequivocally the obligations and discipline the people's police must strictly observe as they go about enforcing the law. The People's Police Law also requires that all regulations that directly affect public interests be made known to the public. In light of the special characteristics of public security organs, the People's Police Law provides for the establishment of an inspector system in public security organs above the county level to monitor the way the people's police in public security organs enforces the law and observes discipline. These regulations fully embody the principle of running police forces strictly and in accordance with the law and are pivotal to ensuring the effective supervision of people's police law enforcement activities by state legal supervisory organs,

administrative supervisory organs, and the masses, fully protecting the legitimate rights and interests of citizens, and preventing police abuse of power.

[RENMIN GONGAN BAO] How do public security organs propose to study, publicize, and implement the People's Police Law?

[Tao] The enactment and implementation of the People's Police Law is a major event in the political life of the people's police nationwide. Public security organs at all levels must carefully organize the entire police force to study and master the law in depth and fully appreciate the profound significance of its enactment and implementation by the state. They must be made to grasp the essence of the law and thoroughly understand provisions in the law pertaining to the people's police duties and responsibilities, to the limits of their authority, to their basic goal, which is to serve the people wholeheartedly, and to their obligations and discipline, thereby further strengthening legal-mindedness, enhancing awareness of the law, and raising the standards of law enforcement. We must accelerate enactment and implementation of other laws and regulations that coordinate with the People's Police Law and make people's police work and the build-up of the people's police part of socialist legal construction.

[RENMIN GONGAN BAO] Minister Tao, thank you for a highly instructive talk on the enactment and implementation of the People's Police Law.

[Tao] The promulgation and implementation of the People's Police Law has been doubly encouraging to the rank-and-file people's policeman. On behalf of the Ministry of Public Security, I would like to take this opportunity to express our thanks to the comrades who have made contributions to people's police legal construction, to comrades who care about people's police work deeply and publicize it diligently, and to the people of the whole country who understand and support people's police work.

### General

#### **Zhu Rongji on Resurrecting State Price Bureau**

HK0905085095 Hong Kong HONGKONG  
STANDARD in English 9 May 95 p 6

[By Amy Liu]

[FBIS Transcribed Excerpt] In a move to strengthen the government's grip on the market, the authorities in Beijing plan to resurrect the state price bureau.

The latest move comes after price freezes fuelled inflation last year.

The News Digest yesterday quoted the nation's economic czar, Zhu Rongji, as saying that it had been a policy error to close down the bureau last year in a bid to fully embrace a free market economy.

"Eliminating the State Administration of Commodity Prices last year was a mistake," Mr Zhu said in a report carried by the News Digest.

Premier Li Peng decided recently to resurrect the State Price Bureau, the News Digest quoted Mr Zhu as saying.

While admitting that inflation was the most thorny issue this year, Mr Zhu was reported to have indicated recently that the disbanded government institution should be resurrected to monitor the markets.

Inflation hit a record high last year with an annual rate of 21.7 percent. Beijing has vowed to bring it down to below 15 percent this year.

As soon as the department was disbanded last year the price of agricultural products soared throughout the country, which led to chaos in the markets, Mr Zhu said.

"The relaxation of grain prices was a wrong move which greatly pushed up inflation," Mr Zhu said.

Mr Zhu, a member of the powerful Standing Committee of the Communist Party Politburo, made the remarks during a speech. [passage omitted]

#### **Li Lanqing Inspects Tianjin Markets**

OW0805144095 Beijing XINHUA Domestic Service  
in Chinese 0835 GMT 8 May 95

[By XINHUA reporter Liu Qinglu (0491 1987 4389) and TIANJIN RIBAO reporter Wang Yongliang (3769 3057 0081)]

[FBIS Translated Text] Tianjin, 8 May (XINHUA) — During an inspection tour of Tianjin's market supply and commodity prices on 7 May, Li Lanqing, CPC Central Committee Political Bureau member and vice premier of the State Council, stressed: Market supply and commodity prices affect the masses' immediate inter-

ests. Governments at all levels and their leaders must take the matter seriously, regard it as a major issue of great importance, and vigorously carry out the work. We must rely on science and technology to undertake a new round of "vegetable basket" projects. We must reduce intermediate links in production and marketing and bring into play the role of state cooperative commercial enterprises as the main channel of commodity circulation to enliven the market, stabilize commodity prices, and improve the people's livelihood.

On the morning of 7 May, accompanied by Tianjin municipal party Secretary Gao Dezhan and Mayor Zhang Lichang, Li Lanqing inspected the Nanlou Supermarket, the Zishuidao Farm Produce Market, Grain Store No. 85 in Hexi District, the Donglou Nonstaple Market, and the Nonstaple Food Market on Dagou Road. He carefully examined commodity supply and prices and cordially chatted with shoppers to learn their views on these matters. In the afternoon, Li Lanqing had an informal discussion with personnel in charge of Tianjin's relevant departments and commercial enterprises and received a briefing on the municipality's construction of "vegetable basket" bases, its market supply and commodity prices, and the development of chain store operations.

Li Lanqing fully affirmed Tianjin's efforts in undertaking "vegetable basket" projects, enlivening the market, and stabilizing commodity prices. He said: Tianjin has done a good job in undertaking "vegetable basket" projects. Business in the marketplace is brisk and commodities are plenty. Its commodity prices are relatively low among the nation's large and medium-sized cities. Ordinary citizens are quite satisfied with this. I hope Tianjin will sum up its experience and further carry out the work of vegetable and nonstaple food supply on top of what has been achieved.

Li Lanqing pointed out: To successfully undertake "vegetable basket" projects, it is necessary to handle well the relationship between vegetable farms and "vegetable baskets." To make the "vegetable basket" successful, we must do well in developing vegetable farms. This is because vegetable farms constitute the project's foundation. In undertaking a new round of "vegetable basket" projects, we must exert great efforts in applying science and technology. A lot can be done in this regard. At the same time, governments at all levels must encourage and support the drive to develop "vegetable basket" projects by building more vegetable production bases and integrating commerce, industry, and agriculture; closely integrate the building of vegetable farms with market supply and circulation; and do everything possible to reduce intermediate links and supply vegetables to consumers direct from producers to ensure the



steady development of vegetable farms and the availability of high-quality and inexpensive farm and sideline products to residents.

Discussing reform of the distribution system, Li Lanqing pointed out: In establishing a socialist market economy, we should bring into full play the role of state cooperative commercial enterprises as the main channels for obtaining and storing goods. He said: Although it is essential to ensure market supply, to curb price rises, and to develop vegetable and other nonstaple food production, reform and consolidation of circulation links is also of crucial importance. We should reduce intermediate links as much as possible and enable producers and sellers to establish direct contacts to reduce distribution links and to lower operational costs and commodity prices. Some people feel that under the socialist market economy, the government should practice total deregulation and let the market regulate itself spontaneously. Such a view on total government deregulation is an error in understanding the establishment of a socialist market economic structure. The socialist market economy is an economy with the public ownership system as the mainstay. Under the system, the government exercises effective regulation and control through economic, legal, and necessary administrative means, while state cooperative commercial enterprises play the role of the main channels in the distribution system. Tianjin and other localities' practical experience suffices to prove that state cooperative commercial enterprises have neither the innate ability to operate successfully nor, furthermore, that to improve operations — the key to their successes lies in reform. In making reform, state cooperative commercial enterprises should focus attention on changing operating mechanisms so as to fully harness the enthusiasm of workers and staff at large and to enhance the awareness of competition. They should aim to make things more convenient for the people, while striving to excel with good quality, good service, and good credit, selling more goods for lower profit to win the trust of ordinary people.

Li Lanqing emphasized: Currently we should, first and foremost, utilize state cooperative commercial enterprises' existing facilities to develop, in particular, various kinds of chain convenience stores and supermarkets. In developing chain commercial enterprises, we should assimilate the experiences of standard operations which have proven effective abroad while summarizing our own experiences and taking China's national conditions into account. An essential principle for chain operations is to turn scattered small batches of purchase into large quantities of procurement, and to establish direct links with manufacturing enterprises and farm and subsidiary product bases in order to reduce intermediate links, to

lower operational costs, and to provide high quality and inexpensive goods to the broad masses of people.

**Customs Administration Issues Circular on Work Ethics**

*OW0805112195 Beijing XINHUA Domestic Service in Chinese 0643 GMT 8 May 95*

[By reporter Jiang Jun (1203 6511)]

[FBIS Translated Text] Beijing, 8 May (XINHUA) — The leading party group of the General Administration of Customs recently issued a circular calling on customs offices across the country to pay serious attention to several conspicuous problems concerning ethical integrity.

The circular demands: All means of transport and telecommunications equipment borrowed or being used for free by any individual or unit must be returned to the owner prior to 15 May. Failure to do so will result in disciplinary action or even job dismissal according to the seriousness of each case, and the direct responsible person of the unit concerned will be held accountable. No individuals are permitted to drive government vehicles to and from work or to do private business. Use of any cellular phones, beepers or other telecommunications equipment which are not issued by the government for official use is strictly prohibited.

The circular urges all local customs offices to strictly implement the "provisions on reiterating the prohibition on attending banquets which affect the impartial discharge of official duties, and on attending recreational activities paid for with public funds" recently issued by the General Administration of Customs. It also calls on leading cadres at various levels to set an example and reduce social intercourse to a minimum.

The circular stipulates: TDY personnel from the General Administration of Customs should stay in customs hostels or customs training facilities; and no one should accept, under any excuse, arrangements made by any reception unit to stay in guesthouses or visit karaoke, sauna, or massage parlors or other places of high consumption. TDY personnel from customs offices are subject to the same stipulation.

**State 'Watch-Dog' for Cooperatives To Be Inaugurated**

*OW0905111995 Beijing XINHUA in English 0839 GMT 9 May 95*

[FBIS Transcribed Text] Beijing, May 9 (XINHUA) — A state watch-dog for rural supply and marketing co-operatives serving China's 900 million farmers will

soon be officially inaugurated here, according to a recent announcement.

The All-China Federation of Supply and Marketing Co-operatives (ACFSMC), under the State Council, the country's cabinet, will be launched to strengthen state guidance and regulation of the fast-growing agricultural development, making the country's rural supply and marketing co-operatives comply better with international practice, and better serve the agricultural sector, an official told a press conference.

The second national conference on supply and marketing co-operatives, scheduled to open May 12, will select the leading committee and other leading bodies of the ACFSMC, the official said.

In their twists and turns over four decades of development, the supply and marketing co-operatives have several times been merged into and separated from the former Ministry of Commerce or now the Ministry of Internal Trade, the official disclosed.

"A major reform measure now under way is to make the co-operatives real economic organizations of the farmers incorporated on the basis of voluntariness, mutual benefit, democracy and equality," the official said.

The latest statistics show that the combined trade volume of the co-operatives nationwide reached 900 billion yuan (about 105.88 billion US dollars)-worth, making them a leading national distributor in the domestic market.

There are now some 32,000 co-operatives operating at the grassroots, with 160 million rural households, or 80 percent of the total, buying shares valued at 10 billion yuan.

In addition, there are 33,000 specialized co-operatives trading in various kinds of commodities, over 900,000 co-operative shops, and 32,000 co-operative processing businesses for farm and sideline produce. Already, 25 co-operatives at the provincial level have been authorized to do foreign trade on their own.

China joined the International Co-operative Alliance in 1985.

#### Officials on Economic Growth in Ethnic Areas

HK0905060095 Beijing RENMIN RIBAO in Chinese  
16 Mar 95 p 5

[Report on interviews by staff reporters with the chairmen of the Xinjiang Uygur, Tibet, Inner Mongolia, and

Guangxi Zhuang Autonomous Regions: "Speed Up the Social and Economic Development of Ethnic Regions"]

[FBIS Translated Text] Editor's Note: Under the conditions of establishing a socialist market economy, making further efforts to implement the law on the regional national autonomy, speeding up the social and economic development of these regions, and gradually realizing common prosperity is an important guarantee for solidifying the unity of nationalities, safeguarding social stability, and promoting the sustained, rapid, and healthy development of the country's economy. At the "two meetings" [the National People's Congress (NPC) and the Chinese People's Political Consultative Conference (CPPCC)] this year, NPC deputies and CPPCC members from the ethnic regions offered advice and suggestions on how to develop local economy. Today we are carrying exclusive interviews by our reporters with responsible comrades from the five minority nationality regions to reflect, in a concentrated way, their ideas on how to speed up social and economic development in those regions. [end editor's note]

By staff reporter Wang Qingxian (3769 3237 2009):  
"Make Use of Our Advantages To Open Wider to the Outside World—Interview With Abdulahat Abdurixit, chairman of the Xinjiang Uygur Autonomous Region"

Abdulahat Abdurixit is the chairman of the Xinjiang Uygur Autonomous Region. The first thing he did when he met this reporter for the interview was to enthuse about the accomplishments Xinjiang has made in its economic construction over the past few years.

Since the start of the reform and opening policy, Xinjiang has made rapid progress in its various endeavors: Its gross national product has progressively climbed by 11.2 percent a year, and the output value of its industry and agriculture has progressively climbed by 10.57 percent a year. The output of major industrial and agricultural products has increased by a large margin, and agriculture has seen bumper harvests for 16 successive years. Infrastructure construction is being gradually strengthened, and a group of key projects covering water conservation, energy, transportation, and communications, as well as processing industrial items, have been completed one after another. The region is constantly opening wider to the outside and now has trade ties with more than 50 countries and regions worldwide.

He said that Xinjiang has great potential for development. As far as surface resources are concerned, it has 47.01 million mu of arable land, 29.17 million mu of forest land, 113 million mu of uncultivated land suitable for afforestation or grazing, and 860 million mu of grassland. Its water resources are also plentiful. As far as underground resources are concerned, although



geological prospecting has not been conducted in full swing, 4,000 mineral deposits consisting of 122 minerals have been discovered. The deposits of 73 of these have been verified, six of which occupy the top place in the country and 25 of which occupy the first five places.

"In the future, how does Xinjiang prepare to make use of these advantages to open wider to the outside world?"

Abdulahat Abdurixii said: We must continue to put great efforts into infrastructure and basic industry construction and must further improve the investment environment, principally by doing a good job of railways, highways, civil aviation, electricity, and the construction of a petrochemical industrial base based on oil and natural gas. We must also develop ferrous and non-ferrous metal deposits as well as invigorate the coal and building materials industries.

He went on: We will not only pay attention to improving the hard investment environment but will also grasp the improvement of the soft investment environment. With the eight preferential policies on opening wider to the outside world granted to Xinjiang by the State Council, the autonomous region has also formulated a series of preferential policies for foreign companies and those from other parts of China who come to invest in Xinjiang."

He added: "As far as the areas inhabited by minority nationalities are concerned, doing a good job in nationalities unity is of utmost importance. Unity is the basis of stability, and stability is an important aspect of the process of optimizing the investment environment. From first to last, we treat the enhancement of the unity of nationalities as a major task related to the overall situation. 'Bearing stability in mind, seeking unity, looking forward to development, and striving for prosperity'—this has become the common will and aspiration of the people of all nationalities."

He stressed the tasks to be grasped in the immediate future: First, we should speed up the construction of six open cities, open zones, cooperation zones, and new-and high-tech industrial zones. At the same time, we should do a good job of foreign economic relations and trade, should conduct border trade in big and lively way, solidify and develop Central Asian markets, and vigorously open up East European markets. A group of large and medium enterprises will be helped to enter international markets and take part in competition there. We should vigorously create conditions to enter the broader international markets in the west. Second, we should open the resources exploration and exploitation market and carry out a strategy of shifting to resources in which Xinjiang has an advantage. Since Premier Li Peng announced that the Tarim Basin was open to the

outside world at the beginning of 1993, many foreign companies have submitted bids. This will certainly speed up the pace of exploration of oil and gas resources in Xinjiang. Third, foreign economic and trade fairs will continue to be run well in Urumqi. The previous two "Urumqi fairs" attracted nearly 20,000 Chinese and foreign business people who struck a total of nearly \$4 billion in business deals. The second-phase extension project of the Xinjiang International Exhibition Center, which is due to be completed at the end of July this year, will provide better conditions for negotiations.

By staff reporter Liu Wei (0491 0251): "Seize the Opportunity To Speed Up Development—An Interview With Gyaincain Norbu, Chairman of the Tibet Autonomous Region"

"Tibet has three great advantages: the first is resources, the second is geographic location, and the third is government policies. Its disadvantages are the isolation created by nature and history, the serious backwardness of transportation and energy, and the lack of talented people. By starting from Tibet's realities and seizing the opportunity to forge ahead, however, the Tibetan economy is completely capable of developing at a higher speed." This was what National People's Congress deputy Gyaincain Norbu, chairman of the Tibet Autonomous Region, told this reporter at the Jingxi Guest House.

"The six years from now to the end of this century will be a key period for the overall development of the Tibetan economy and society. The important thing is to lay a good foundation." When discussing the line of thought for Tibet's development in the immediate future, Gyaincain Norbu said, "at the Third Tibet Work Conference called by the central authorities last year, grand objectives for Tibet's development were decided; namely, that special policies and special assistance would be used to speed up the development of Tibet's national economic and social undertakings, Tibet's gross national product would increase by an average of about 10 percent a year between now and the end of this century, and Tibet would nearly double the 1993 figure by the end of this century."

"The solicitude of the central authorities, the support of the whole country for Tibet, and the emergence of a new situation have provided Tibet with a rare historical opportunity and beneficial conditions for its development. We must start from the realities of Tibet, develop primary industry in a stable manner, put stress on developing secondary industry, vigorously develop tertiary industry, speed up the transformation from a natural economy to a market economy, as well as from a supply economy to a managerial economy, and

increase the strength and stamina of Tibet's economic development.

"Another reason for the region's backwardness, apart from the isolation, is the scarcity of talented people. Tibet is determined to strengthen education in a practical manner. Over the next six years we are going to increase the number of children in primary and middle schools by 100,000, build 1,000 new primary and middle schools, 10 new vocational schools, and 100 key primary and middle schools, technical secondary schools, and key subjects in institutions of higher learning. In addition, we will wipe out illiteracy among 100,000 young and middle-aged people. At the same time, Tibet will put great efforts into attracting talented people from the inland areas of China." Gyaincain Norbu was full of emotion as he described all this. If Tibet wants to change its concepts it must thoroughly rid itself of its isolation and must vigorously open to the outside world. First of all it must develop economic exchanges and cooperation with all the provinces, regions, and cities in inland China through numerous channels, at numerous levels, and in numerous forms. It must use its advantages in resources and government policies to link up with the inland areas, which have advantages in talent, technology, capital, and management skills, bring about a complementarity of advantages, and converge the Tibetan economy with the large national market. He explained that Tibet has initially formed a situation of opening in all directions. In the past year alone it has approved the setting up of 19 companies with foreign investment, attracted more than 1 billion yuan and more than \$20 million in capital. This year, the 30th anniversary of the founding of the Tibet Autonomous Region, we are going to really get down to work, harness the fervor of the masses for practical work, and promote Tibet's undertakings to a new stage.

By staff reporter Fu Xu (0265 2485): "Unite as One and Work in Down-to-Earth Way To Vitalize the Region—an Interview With Wuliji, Chairman of the Inner Mongolia Autonomous Region"

On 14 March, in an interview with this reporter, Wuliji, chairman of the Inner Mongolia Autonomous Region, said: "Stability is our guarantee and development is our goal. This is the principle we ethnic minority regions adhere to in developing our economies."

Deputy Wuliji has been in the post of chairman of the region for two years, and he has deep experience of practical work in this regard. He said: To do a good job of uniting Inner Mongolia's various nationalities is of crucial importance; without this, there is no point in talking about anything else. Uniting as one and working in a down-to-earth way to vitalize the region—this is what Inner Mongolia has consistently done well. It has,

from first to last, safeguarded an overall situation of stability and unity, which has been affirmed time after time by the party and the state.

"Precisely because of this, the development of our region's economic construction has been comparatively rapid, especially since reform and opening up," Wuliji said, explaining that last year the gross national product of the region was 65.86 billion yuan, a 10 percent increase over the previous year. Agriculture and animal husbandry, despite the fact that most areas of the region suffered severe droughts last spring and some suffered flood and hailstorm disasters, reaped fairly good harvests. The total output of grain last year was 10.835 million tonnes, the second-highest output in the region's history. In the animal husbandry sector, there were 57.113 million head of livestock, the highest number ever. The increase in output value of the region's industry was 20.32 billion yuan, a 13.9 percent increase over the previous year. The per capita income of the region's farmers and herdsmen was 1,062 yuan last year, an increase of 28.1 percent over the previous year, or 4.8 percent when the inflation factor is taken into account.

"We must continuously develop this good situation by building close ties with the masses, paying attention to the livelihood of the farmers and herdsmen, and doing a good job of building a clean government and must create a better environment for economic construction in Inner Mongolia. At present, there are some problems in the region, such as excessively soaring prices, severe deficits in some enterprises, and some prominent financial difficulties, and we must solve them by continuously intensifying reform and drawing on the strength of the people of the entire region."

Deputy Wuliji laid particular stress on the problems in agriculture and animal husbandry. He said: Such problems are, from first to last, the biggest ones in the region. Economic work in the rural pastoral areas tops the agenda, and increasing the incomes of the farmers and herdsmen is a primary task. Toward this end, we must continuously strengthen the basic construction of farmland and grasslands, with water conservation as the core, must vigorously adjust the structure of crop farming and aquaculture, and must make efforts to increase the output of marketable agricultural and animal husbandry products. As far as the region's finances will allow, we will do our utmost to increase investment in agriculture and animal husbandry, will continue to deepen reform in the rural pastoral areas, and will put into effect the strategy of applying science and technology to invigorate those sectors. We will also step up work to aid the poor. We have already drawn up the "Three-Seven All-Out Assault on Poverty," under which



we will solve the basic problems of food and clothing for three million poverty-stricken farmers and herdsmen over four years, and in the following three years enable them to gradually cast off poverty and become well-off."

He added: "With regard to the economic development of Inner Mongolia, Liu Mingzhu, secretary of the autonomous region party committee, has stressed time and again the word 'solid,' and this has been prominent in the five strategies that the region formulated recently: the natural resources strategy, the opening strategy, the banner [county-level administration in Inner Mongolia] and county economy strategy, the talent strategy, and the brand-name strategy."

He said with full confidence: The banner and county economy strategy is based on making the people rich, with the objective of financial independence. Each banner and county should wield its own advantages in accordance with its own particular conditions. The brand-name strategy similarly stresses the strengths of various products, such as "Ordos" and "Deer King" cashmere products, which are quite well-known both at home and abroad. Also, "Shiqi" suits are presenting a challenge to the whole world with their quality and price and are known as "China's Shiqi phenomenon." We must create even more Chinese brand names.

By staff reporter Ren Weidong (0117 4850 2639): "Work Hard and Create Fine Achievements Again—an Interview With Cheng Kejie, Chairman of the Guangxi Zhuang Autonomous Region"

People need to have some spirit. An important factor enabling the Guangxi Zhuang Autonomous Region to win the battle against extraordinary floods and waterlogging and increase the local economy last year was reliance on the spirit of arduous struggle.

Deputy Cheng Kejie, chairman of the autonomous region, explained to this reporter: "Last summer the region suffered two serious floods and subsequent waterlogging in succession, the worst in 100 years. In the entire region, 85 of the 88 cities and counties, covering a population of 27.53 million, or 62 percent of the region's total population, were affected.

But the local people were not cowed by these severe natural disasters. With the support and care of the party Central Committee, the State Council, and the people of the whole country, the regional party, government, Army, police, and civilians united as one and waged a tenacious struggle against the disasters to reduce damage to a minimum. Although crop output was down by 1.04 million tonnes, gross agricultural output value rose by 4 percent. Industrial production grew steadily.

The region made sure that the people affected by the floods suffered from neither hunger nor cold. It made sure they had roofs over their heads and that their children could continue their studies. The spread of contagious diseases was prevented. At the moment, the hearts of the people of the disaster-stricken areas are at ease, society is stable, and the work of resuming production and rebuilding homes is going ahead.

Drawing lessons from this bitter experience, Guangxi has focussed on the weaknesses in the agricultural foundation and poor anti-flood capability which have been revealed in the wake of the flood disasters and are determined to solve its agricultural problems. Cheng Kejie said: "We still have eight million people who do not have enough to eat and wear. This has always been a heartache for the leaders of Guangxi."

This year the Guangxi financial departments will invest 10 percent more than last year in agriculture in an effort to ensure a comprehensive bumper harvest. At the same time, a sturdy fight is being waged to help the poor through development, combining on-the-spot development with development in other areas. On-the-spot development refers mainly to doing a good job of basic projects such as building roads and power stations, ensuring drinking water for people and livestock, building walls to protect the soil, and transforming hilly lands into terraced fields. In addition, it involves improving the conditions of agricultural production and developing a batch of regional pillar industries which benefit thousands of households. As for the people living in the Dashi Shan area, where basic living and production conditions are lacking, and in areas to be inundated by reservoirs, they will be transferred to and settled in other places. They will also be organized for labor export.

Cheng Kejie said, "While striving for support from the state, we must also carry forward the spirit of self-reliance and hard struggle and rely on our own efforts in doing a good job of helping the poor through development. Until the masses have solved the problem of sufficient food and clothing, we must be determined not to buy sedan cars or build high-grade guest houses or offices."

By staff reporter Li Qin [26210530]: "Broaden Our Horizons and Implement Our Strategy—an Interview With Bai Lichen, Chairman of the Ningxia Hui Autonomous Region"

"We must take a fresh look at the region's affairs from the standpoint of the market economy. Small provinces and regions must be determined to accomplish great tasks." Deputy Bai Lichen, chairman of the Ningxia Hui Autonomous Region said that, while the expanding gap between east and west China had attracted the attention

of society at large, it ought to occupy the minds of the cadres and people of all nationalities in Ningxia even more.

Poverty is not unchangeable. Ningxia has abundant land, labor, and mineral resources and has a potentially huge market. Bai explained that investment was needed to develop the west, both from the state and from funds that the region collects from various sources. Ningxia's advantage in resources should be transformed into an economic advantage. The vast and primitive land of Ningxia should be looked at with a new concept, and that is the new vision of the market economy.

"The readjustment of agricultural production structure in Ningxia last year yielded remarkable results. The construction of 16 "two highs and one excellent" agricultural demonstration areas has been started, and the outputs of grain, cash crops, meat, poultry, eggs and milk, and aquatic products have all increased to a significant degree." He revealed that, while developing primary industry in a stable manner, Ningxia has to quicken the pace of development of secondary and tertiary industry, including the reform of small and medium-sized enterprises, the readjustment of production and commercial structures, so that the growth of industrial production and the ratio of commodity sales has markedly increased.

As a land-locked and isolated inland region, Ningxia faces many objective difficulties in developing an export-oriented economy. We can be gratified that last year Ningxia's foreign trade and exports reached their highest level in history, and the amount of foreign investment used was 15 percent more than in the previous year.

As a new economic development strategy is gradually being formed, Ningxia's economic construction is finally opening a grand curtain on a new historical chapter, by means of the "1236 Project", which the people of Ningxia's mountainous regions call the "Life-Saving Project".

The Ningnan mountainous region, Ningxia's most inhospitable mountainous region, occupies 58.85 percent of the region's territory, and 44.2 percent of Ningxia's people live there. According to the "1236 Project," in the short space of six years, Ningxia is to invest 3 billion yuan to develop 2 million mu of paddy fields in an effort to enable 1 million people to shake off poverty. The realization of the project will enable Ningxia as a whole to basically get rid of poverty.

Ningxia's efforts to shake off poverty and become rich are very much the concern of the central leadership. The central authorities' warm support and solicitude have

given Ningxia tremendous motivation to undertake such an immense project. The cadres and masses of Ningxia will enter the 21st century with a new spirit and outlook, Bai Lichen said.

#### Ministry Statistics Show Growth in Social Security Reforms

OW0905103095 Beijing XINHUA in English  
1002 GMT 9 May 95

[FBIS Transcribed Text] Beijing, May 9 (XINHUA) — Thirteen provinces, autonomous regions and municipalities in China had started all-round management of pension funds by the end of 1994 in a bid to alleviate financial burdens on the government.

Meanwhile, 11 central government departments have built their respective pension funds under the approval of the State Council, China's highest governing body.

All governments have built special funds as future pensions for the retired. Workers at collectively-owned enterprises in 2,000 cities and counties have taken out policies in pension insurance.

Statistics released by the Ministry of Labor showed the number of retirees in the country swelled to 28 million last year, 1.1 million more than the previous year.

As a result, the social welfare and insurance departments across the country had to pay an additional 27 billion yuan to bring the total sum to 194 billion yuan. The figure was equivalent to 29 percent of the total amount of workers' wages.

#### Statistics Bureau on Steady Industrial Growth in Apr

OW0905112095 Beijing XINHUA in English  
0843 GMT 9 May 95

[FBIS Transcribed Text] Beijing, May 9 (XINHUA) — China's industry reported a steady growth in April, with the state-owned sector registering sustained rises, according to the State Statistics Bureau today.

The bureau said in a release that China's industrial output was 156.8 billion yuan-worth last month, up 15.4 percent from the same period of last year.

The report said that the non-state sector continued to keep its high-speed growth in the month, while the state sector quickened its growth.

The state-owned enterprises and companies the state holds a majority stake in realized an increase of 10.7 percent in their output value compared with the same period of last year, while the collective sector witnessed



an increase of 16.7 percent, and the other sectors an increase of 21 percent.

China's total industrial output value in the first four months was 547.6 billion yuan, an increase of 14.7 percent over the same period of last year.

In April 95, 17 percent of industrial products were sold, 1.17 percentage points higher than in the same period of last year.

The bureau said that the production of energy, raw materials and building materials last month maintained steady growth.

However, some problems still exist in industry, the bureau reported, adding that triangular debts among enterprises and lack of funds still hamper the economic efficiency of enterprises.

#### Minister Discusses Managing Communications Enterprises

OW0905015795 Beijing XINHUA Domestic Service  
in Chinese 1205 GMT 8 May 95

[By reporters Wang Jingqun (3769 0079 5028) and Zhang Rongda (1728 2837 1129)]

[FBIS Translated Text] Qingdao, 8 May (XINHUA) — At a national meeting today to exchange experience on deepening reform and strengthening management in communications enterprises, Communications Minister Huang Zhendong called for painstaking efforts from communications enterprises nationwide to strengthen internal management to suit the needs of the socialist market economy and to strive to open up a new situation in China's communications industry.

Huang Zhendong pointed out: Since the Third Plenary Session of the 11th CPC Central Committee Political Bureau, we have made fairly rapid development in the communications industry. Departments principally in charge of communications have strengthened their macroeconomic guidance over the management of communications enterprises. Communications institutions have comprehensively rectified their operations, introduced and improved various forms of responsibility systems, and extensively established comprehensive quality control systems. Aimed at attaining control, upgrading services, and increasing efficiency to catch up with and surpass advanced national and international standards, the entire industry has promoted the development of the productive force, resulting in the establishment of a group of advanced, improved, well-managed, and efficient enterprises. Huang Zhendong made no secret and pointed out: In recent years, a considerable number of communications enterprises have indeed slackened their internal control so much so

that their management have gone downhill, leading to some rather glaring problems.

Huang Zhendong stressed: Communications enterprises currently going downhill must turn the situation around within the next two years. They must reach their historical best in major economic and technical indices, and gradually achieve scientific management on this basis. Communications enterprises with a good or better foundation must separately attain advanced international or national levels in scientific management. Because of this, communications enterprises must extensively and deeply conduct activities on "changing their mechanism, tackling management, enhancing internal control, and upgrading efficiency." Enterprises must give top priority to gearing themselves toward the market and strengthening operations control. They must earnestly tackle well the tasks in seven areas, the major contents of which are: Further raising understanding of the importance and urgency of strengthening enterprise management; effectively instituting tasks in introducing rules and regulations, standardization, quotas, evaluation, information, workers' education, and team building; effectively tackling the management of glaring problems in safety, quality, equipment control, on-the-job training, funds, and costs; and strengthening personnel management and upgrading the quality of cadres and workers. Departments responsible for communications must strengthen their guidance over the management of enterprises.

#### Shougang To Scrap Diversification Plans

HK0805060695 Hong Kong EASTERN EXPRESS  
(BUSINESS) in English 8 May 95 p 1

[By Wang Xiangwei]

[FBIS Transcribed Text] Following the disgrace of the Zhou family, China's steel giant Shougang will scrap its programme to become a diversified multinational by the year 2000, and focus on the business it is familiar with — iron and steel — a senior company official said yesterday.

Li Geng, the deputy managing director of Shougang Holdings (Hong Kong), said that while scrapping projects worth more than 10bn renminbi (about HK\$9.18bn) at home, the company has also abandoned the multibillion U.S. dollar plans to buy a privatised industrial group in Italy, and an ore mine in Malaysia. In Hong Kong, Shougang has just sold one of its listed subsidiaries, Hoi Sing Holdings, a loss-making construction company, at a loss of nearly HK\$100m.

"We still want to be multinational, but if we want to make money, we will have to be in the iron and steel business we are familiar with," Li said.

Shougang, or Capital Iron and Steel, is one of China's largest companies and used to be the model for the country's free-market economic reforms spearheaded by China's ailing paramount leader, Deng Xiaoping.

It has been rocked by a series of scandals that resulted in the resignation of Zhou Gwanwu as the company's chairman in February, and the arrest of his son Zhou Beifang, the head of Shougang's operations in Hong Kong.

Under Zhou Beifang, Shougang had teamed up with Hong Kong's Li Ka-shing and Deng Zhifang, the younger son of Deng Xiaoping, on a buying spree to acquire interests in five Hong Kong-listed companies.

Li Geng said yesterday that although the scandals have tarnished the reputation of the Shougang group, and sent the Shougang shares into a free fall, the company's business operations have not been adversely affected. But he said that Shougang's companies in Hong Kong had difficulties obtaining financing under the bad publicity.

Li dismissed the reports that Deng Zhifang, the deputy chairman and managing director of the listed Shougang Concord Grand, is under investigation in connection with the Shougang case.

#### **Shougang's Hong Kong Boss Talks About Business Plans**

*HK0905040095 Hong Kong TA KUNG PAO  
in Chinese 4 May 95 p b3*

[Report: "Li Geng, Director of Shougang Holdings (HK) Limited, Talks About Business Development in Hong Kong; Denies Any Connection Between Zhou Beifang and Shougang Concord International Enterprises Limited"]

[FBIS Translated Text] Li Geng, director of Shougang Holdings (Hong Kong) Limited, yesterday showed up in Hong Kong. He said that there is no change in his office in Hong Kong. After selling Hoi Sing, Shougang Holdings will not recklessly buy listed companies. The remaining four companies will mainly develop business related to iron and steel. On the other hand, Shougang Concord International Enterprises will develop real estate projects on the land it owns in Beijing.

Li Geng said: Shougang Concord International Enterprise will develop real estate projects in Beijing, in addition to the iron and steel business, because they have some factories in Erhuan and Sanhuan Roads, and some of the factories have stopped production. With relocation of these industrial facilities, the land can be used to build residential or commercial buildings according to the needs of Beijing's urban construction plan.

As for the overall development strategy of all listed companies, Li Geng said that the group will mainly develop business around the advantages of Shougang, and also will develop shipping and other relevant business. This will make it easier to get the support of the headquarters.

Li Geng said: After Bi Qun became chairman of the board of directors in Shougang's headquarters, there have been great changes in its business guidelines, and the operations of the conglomerate still will be mainly market-oriented. Headquarters still attaches great importance to the development of the Hong Kong subsidiaries, and the new Shougang leaders are concerned about the business in Hong Kong. After Bi Qun took office, the headquarters began to make investigations and readjustments. While considering the plan for this year's development, they also are working out a five- or even 10-year long-term development program, which will include the development of the business in Hong Kong.

Li Geng said: After Bi Qun took office, the headquarters held a number of meetings to review the previous work and problems, and to decide future strategy. The previous practice of merely seeking higher output was replaced with a new operational guideline of adapting products to market needs.

Li Geng said: The Shougang headquarters adopted many measures to change the previous practice of blindly pursuing high output figures. In the future, it will not produce anything without orders from buyers, and will invest more money in the production of goods in short supply. He said: This change will bring benefits to the enterprise. Shougang's production is now stable, and its sales and finance conditions also are satisfactory.

As for the sale of the Hoi Sing Group, Li Geng said: Last year, headquarters found there were problems with Hoi Sing. After the Zhou Beifang case, headquarters decided to make an adjustment, so they finally sold Hoi Sing. Although they incurred certain losses in the buying and selling of Hoi Sing, as Hoi Sing was running in the red, they simply shook off a burden, and this has had a positive impact on the overall business of the group.

Li Geng said: Shougang will not allocate additional funds to the listed companies in Hong Kong this year because the new leaders will have to take time to learn the facts in Hong Kong. Li Geng also said that it was not true to say that Zhou Beifang had been released on probation for medical treatment, but he did not know Zhou's whereabouts.

Li Geng said that after Zhou Beifang was investigated, the procuratorial organs in China did not deal with other people in Shougang. He himself had worked together



with Zhou Beifang for 10 years, but nobody asked him anything about Zhou. So it is certain that the Zhou Beifang issue is his personal problem, and has no relation with Hong Kong and Shougang Concord International Enterprises.

Some people suspected that Li Geng was detained in Beijing, but Li said that it took him 45 days to pass the visa formalities, and his absence from Hong Kong had no relation with other issues. He said that his current visa is valid for five months.

#### **Congress of Supply, Marketing Cooperatives To Open**

OW0905043095 Beijing XINHUA Domestic Service  
in Chinese 0908 GMT 8 May 95

[By reporter He Jinsong (6320 0513 2646)]

[FBIS Translated Text] Beijing, 8 May (XINHUA) — According to the preparatory team for the head office of an All-China Supply and Marketing Cooperative [ACSMC], the second national congress of China's supply and marketing cooperatives will be held in Beijing on 12 May to elect the board of directors, board of supervisors, and members of leadership for the ACSMC head office, and to formally inaugurate the organization.

The "Decision on Deepening the Reform of Supply and Marketing Cooperatives," adopted by the party Central Committee and the State Council in February of this year, raised a requirement to pay close attention to establishing the ACSMC head office. The upcoming congress will be held to further this end and will be the second national congress of China's supply and marketing cooperatives in 41 years.

China's supply and marketing cooperatives have been merged with and separated from state commerce three times since the founding of the People's Republic. When the third merger took place in 1982, an organization like the ACSMC head office was not established and the overwhelming majority of supply and marketing cooperatives were not merged with state commerce. As a result, supply and marketing cooperatives below the provincial level remained organizations that operated independently. Based in rural areas, gearing their efforts to the needs of the market, and by means of screening members' payment of shares, paying out bonuses retroactively, and attracting more shareholders, China's supply and marketing cooperatives increased the number of its members among peasants to 160 million households, accounting for 80 percent of the total number of peasant households nationwide and attracting a total amount of 10 billion yuan for share subscriptions. Meanwhile, they continuously innovated service forms,

improved service organizations, and developed along the course of establishing a service system integrating multiple functions, such as production, processing, warehousing, transportation, and technologies with main products playing the dominant role. At present, they boast a total of 5.8 million staffers and workers, 32,000 grass-roots stations offering supply and marketing services, 30,000 enterprises processing agricultural products, and over 70 billion yuan's worth of owned capital. Their turnover reached 900 billion yuan last year, taking the leading rank of all domestic trade sectors. They have established a business operation and service network that reaches all parts of the country and links urban with rural areas, and have become an important force serving the agricultural sector.

According to the briefing given by a person in charge of the preparatory team for the ACSMC head office, after its inauguration, the ACSMC head office will base itself on the agricultural sector and run supply and marketing cooperatives in such a way as to enable them to truly become economic cooperatives for peasants and to promote agricultural and rural economic development.

#### **Hubei Province To Expand Garment Production**

OW0905050895 Beijing XINHUA in English  
0227 GMT 9 May 95

[FBIS Transcribed Text] Beijing, May 9 (XINHUA) — Central China's Hubei Province has formed a garments-production base in its eastern area.

The garments base is composed of Wuhan (the provincial capital), Ezhou, Huangshi and Huanggang cities and the adjoining rural areas.

Last year, the region produced more than 100 million pieces of garments with a total output value of four billion yuan (about 476.1 US dollars), which accounted for 60 percent of the whole industry in the province.

According to the provincial government's blueprint, the region will expand its annual production capability to more than 500 million pieces of garments by the end of this century, and generate an output value of 25 billion yuan, which will be 5.5 times the 1994 figure.

#### **Hubei's 'Hi-Tech' Development Zones Taking Shape**

OW0905064595 Beijing XINHUA in English  
0321 GMT 9 May 95

[FBIS Transcribed Text] Beijing, May 9 (XINHUA) — Five hi-tech development zones have taken shape in central China's Hubei Province, which marks the establishment of an industrial structure along the section of Chang Jiang River in the province.

Encompassing Wuhan, the provincial capital, and Xi'angfan, Huangshi, Jingsha and Yichang cities, the five zones went into operation in early 1991, and generated an industrial output of 4.25 billion yuan last year, up 85.8 percent over the previous year.

Meanwhile, the zones turned over to the state profits and taxes totalling 699 million yuan, up 108 percent from the previous year; and realized exports of 25.9 million US dollars-worth, 1.5 times the 1993 figure.

So far, the hi-tech zone in Wuhan, which is licensed by the State Council, has been developed into the country's largest fiber-optic telecommunications industry base.

And the only production line for civil aircraft seats in Asia has gone into operation in the Xiangfan zone.

### Finance & Banking

**Qiao Shi Meets Italian Banking Association Visitors**  
*OW0805160495 Beijing XINHUA in English*  
*1509 GMT 8 May 95*

[FBIS Transcribed Text] Beijing, May 8 (XINHUA) — Qiao Shi, chairman of the Standing Committee of the Chinese National People's Congress, met with Tancredi Bianchi, chairman of the Italian Banking Association, and his party here today.

The two sides had cordial talks on co-operation between the two countries' financial circles.

Commenting on the gap that exists between the level of development of financial business in China and Italy and other advanced countries, Qiao expressed the hope that his country's financial circles will expand exchanges and co-operation with their foreign counterparts.

Briefing the guests on China's financial reforms, Qiao said that the law on the People's Bank of China passed earlier this year, and the drafting of the Commercial Bank Law, which is being deliberated at the 13th meeting of NPC Standing Committee, have both come out of the country's actual conditions, and drawn extensively on the management and systems of foreign banks.

China is pursuing a policy of reforms and opening up, and its co-operation with other countries in the financial sector are growing, Qiao said.

"We welcome foreign financial institutions to do business in China and enhance co-operation with their Chinese counterparts," Qiao added.

Bianchi said that Italy's financial circles as well as its industries all hope to participate actively in China's economic construction.

The visit has enabled him to see China's rapid economic growth and the wide prospects for development, he explained.

The visitors are here as guests of the Beijing Han Wei Economic and Technology Development Corporation.

**Lawmakers Deliberate Commercial Bank Law**  
*OW0805141295 Beijing XINHUA in English*  
*1343 GMT 8 May 95*

[FBIS Transcribed Text] Beijing, May 8 (XINHUA) — In deliberating on the draft law on commercial banks for the third time, Chinese lawmakers have suggested many changes and expect the law to take effect after the 13th meeting of the National People's Congress (NPC) Standing Committee.

The lawmakers say they believe that China badly needs a commercial bank law for its current financial reforms, and the draft law is good but some points need clarification, such as officials and employees, the protection of deposits, the prevention of financial speculation, and the registration of commercial banks.

They said that the quality of personnel is very important. The draft law must be clear about their qualifications and powers, and any acts of embezzlement must face stiff penalties.

To better protect the interests of depositors, the lawmakers said that bankruptcy in commercial banks should not be taken as a way out for the banks themselves, as the economic interests of depositors must be considered.

In order to avoid unfair competition, the lawmakers suggested that commercial banks should not allow investments from foreign banks and Sino-foreign joint banking ventures, nor should they allow investments from foreign firms or joint ventures. In addition, the banks cannot engage in stock ventures abroad.

The lawmakers also suggested that commercial banks should provide more loans for people in poor areas and be responsible for their economic development, helping them get out of poverty.

The People's Bank should have a detailed plan for registering new commercial banks and approving agencies abroad so as to prevent the loss of funds.

In addition, the draft law should make it clear that government and Party officials must not interfere in the business of commercial banks, the lawmakers said.



**Bank of China President Announces Record Profit**  
*OW0905092895 Beijing XINHUA in English*  
0857 GMT 9 May 95

[FBIS Transcribed Text] Shanghai, May 9 (XINHUA) — The Bank of China (BOC), the country's major foreign exchange bank, was the most profitable Chinese state bank in 1994, official sources said here today.

It raked in 12 billion yuan (about 1.43 billion U.S. dollars) in profit in 1994, up 23 percent over the previous year, said Wang Xuebing, the bank president, adding that 15 percent of the earnings were made by the bank's 512 subsidiaries overseas.

Addressing an ongoing meeting of the bank here, Wang said that the BOC must improve its management and speed up the process of transforming itself into a commercial bank so as to maintain its competitive edge, noting that competition has become very fierce in the financial market.

"Our bank is facing unprecedented challenges posed by the establishment of an interbank forex market, the implementation of a new system governing the selling and buying of foreign exchange, and a rush into China of foreign banks," Wang said.

He promised that his bank will strengthen internal management and increase financial services as a measure to closely follow market movements and better serve its clients.

The president also said that the BOC, which this year will use 1.8 billion yuan to develop software and build up networking facilities, will make efforts to expand its local currency business while consolidating its core foreign exchange business.

**PRC Exchange Trading Center Starts Yen Trading**  
*HK0905091395 Hong Kong CHING CHI TAO PAO*  
in Chinese 6 Mar 95 No 9, p 12

[From "Chinese Economic News" column: "Chinese Foreign Exchange Trading Center Offers Japanese Yen Trading 1 March"]

[FBIS Translated Text] The Chinese Foreign Exchange Trading Center offers Japanese yen trading as of 1 March 1995. This is another transaction currency in addition to the two currencies previously being traded, i.e. the U.S. dollar and the Hong Kong dollar. The opening of Japanese yen trading will help develop foreign trade and improve the investment environment; help foreign-invested enterprises improve operations, reduce costs, avoid exchange risks, and simplify procedures; help improve the foreign exchange market; and help banks open up business, do a good job in operation, and get more

customers. Japanese yen trading is conducted principally in light of market supply and demand. If, in the course of Japanese yen trading, a designated foreign exchange bank is unable to buy or sell Japanese yen through the market in good time, it can reenter the market in subsequent trading days or after arbitraging on the international market.

The Chinese Foreign Exchange Trading Center will maintain Japanese yen trading order according to foreign exchange market business regulations so as to attain a balance in yen supply and demand and ensure the smooth operation of the foreign exchange market.

**Free Conversion of Renminbi To Be Attained in 3 Stages**

*HK0905090395 Hong Kong CHING CHI TAO PAO*  
in Chinese 6 Mar 95 No 9, p 12

[From "Chinese Economic News" column: "Free Conversion of the Renminbi To Be Introduced in Three Stages"]

[FBIS Translated Text] Xu Bin, deputy director of the State Administration of Exchange Control, said the other day: China will achieve free conversion of the renminbi in three stages before 2000. He stressed, however, that this is a gradual process. Currently China does not have the necessary conditions to immediately lift restrictions on foreign exchange revenue and expenditure activities.

He said: In the first stage, a strict foreign exchange settlement system will be instituted, under which all foreign exchange revenues will be purchased by designated foreign exchange banks, and restrictions on international balance of payments on trade items will be relaxed. That is to say, the foreign exchange needed for import and export trade and for trade-related charges may be paid with foreign exchange purchased from banks against legal receipts. There are also clear stipulations on the scope and limits on non-operational foreign exchange payments and foreign exchange for personal use. Use of exchange in projects that will lead to capital outflow will be strictly limited, that is, investments outside the border, external loans, and remittance abroad of profits from direct investment should be strictly examined and approved. In the second stage, the foreign exchange settlement system and bank exchange sales by default [ying hang shou hui que xi 6892 5887 0786 0565 4972 1598] will still be continued, restrictions on international balance of payments on regular items will be further relaxed, and conversion of regular items will be instituted. In the third stage, after its economic strength and the international competitive capability of its major products reach fairly high levels, China will relax control over

capital items by allowing free capital flow and achieve free conversion of the renminbi and foreign currencies.

#### **Statistics Indicate Private Sector Gets More Loans**

*OW0905102995 Beijing XINHUA in English  
1015 GMT 9 May 95*

[FBIS Transcribed Text] Beijing, May 9 (XINHUA) — Outstanding loans extended by banks and urban credit cooperatives to private businesses and enterprises amounted to more than 15.5 billion yuan (about 1.8 billion U.S. dollars) by the end of last year, official statistics show.

Urban credit cooperatives provided two-thirds of the total.

Observers here say that the country's financial institutions' attitude toward private businesses and enterprises have changed considerably over the past couple of years due to deepened financial reforms.

In the past, the non-state sector was almost unable to get loans from banks, which used to lend at governmental orders.

However, reforms in the banking sector have allowed state banks to extend loans to private businesses and enterprises and, meanwhile, a number of financial institutions have been set up to specially serve collective and private enterprises, which have mushroomed since China launched economic reforms in the late 1970s.

Government sources said that rural credit cooperatives now number more than 60,000 nationwide and urban credit cooperatives more than 5,000.

#### **Foreign Trade & Investment**

##### **Tianjin Port Expands Duty-Free Zone**

*OW0905050195 Beijing XINHUA in English  
0233 GMT 9 May 95*

[FBIS Transcribed Text] Tianjin, May 9 (XINHUA) — Expansion of the bonded area in Tianjin port, one of the largest coastal outlets in north China, has made new headway with the fenced-off facilities of the project going operational Monday [8 May].

The fenced-off areas, part of the first-phase expansion project in the port's duty-free zone, have passed the appraisal of the General Administration of Customs.

The Tianjin Port Bonded Area, which, covering 1.2 sq [square] km, went into operation in April 1992, has become an important window for the city's opening up to the outside world.

Statistics show that imports and exports have totalled 1.9 billion US dollars in the bonded area since its operation.

To date, some 2,750 firms from 58 countries and regions have received permission to establish enterprises in the bonded area, with a total contractual capital of 2.1 billion US dollars.

Over the past few years, 800 million yuan has been injected into the updating of the infrastructures in and around the tax-free zone, which is becoming a promising economic development area.

#### **Ministry Announces More Counties Open to Foreigners**

*OW0905103295 Beijing XINHUA in English  
0932 GMT 9 May 95*

[FBIS Transcribed Text] Beijing, May 9 (XINHUA) — China has decided to open another 28 counties and a city to foreign nationals, bringing the total number of such places to 1,176, a spokesman for the Ministry of Public Security announced here today.

The decision has been approved by the State Council, China's cabinet.

Foreigners with valid visas or residence permits will not have to apply for travel certificates when they visit these places.

The counties and city newly open to foreigners include Zhangjiakou City in north China's Hebei Province, Yunxi and Xuanen counties in central China's Hubei Province and 26 counties in southwest China's Guizhou Province.

#### **Leaders on Export of Machinery, Electrical Products**

*HK0905091595 Hong Kong CHING CHI TAO PAO  
in Chinese 13 Mar 95 No 10, p 18*

[From "Chinese Economic News" column: "Important Instructions From Central Leaders on the Export of Machinery and Electrical Products"]

[FBIS Translated Text] According to the State Machinery and Electrical Products Import and Export Office, recently central leaders gave written instructions on the "condition reports" compiled by the office to reflect the export of China's machinery and electrical products last year and the existing problems. Proceeding from the strategic plane of China's economic development, they called on the departments concerned to continue giving vigorous support to the export of machinery and electrical products and to boost the export of those products.

General Secretary Jiang Zemin: "It is necessary to satisfactorily promote the export of machinery and electrical products."



Vice Premier Zhu Rongji: "The departments concerned should continue to give vigorous support to the export of machinery and electrical products."

Vice Premier Zou Jiahua: "I suggest allocating some funds from the state exchange reserve as export credits to support the export of machinery and electrical products. This will substantially boost the export of machinery and electrical products. Naturally, our machinery and electrical products should perform satisfactorily and be of excellent quality. They should be offered at reasonable prices, delivered on schedule, and provided with complete after-sale service."

Vice Premier Li Lanqing: "The key to ensuring the momentum of export development still lies in machinery and electrical products and complete sets of equipment...." "China has advantages and potential in the export of machinery and electrical products and complete sets of equipment. Herein lies the stable development of foreign trade and export. The crucial point is to make further efforts to solve the issue of financial support because most importers demand credit supply and delayed payment. If this problem is solved, exports can still be increased substantially."

#### **Zheng Dunxun Discusses Foreign Trade System Reform**

OW0705073995 Beijing XINHUA Domestic Service  
in Chinese 0301 GMT 6 May 95

[By XINHUA reporter Jiang Jun (1203 6511)]

[FBIS Translated Text] Beijing, 6 May (XINHUA) On the last day of 1994, the China National Chemicals Import and Export Corporation was selected by the state to operate as China's first conglomerate corporation [zong he shang she 4844 0678 0794 4357] on trial basis.

Why is it necessary to organize such a "fleet" [jian dui 5324 7130]? Why was the China National Chemicals Import and Export Corporation selected? How shall the China National Chemicals Import and Export Corporation assume this historical heavy task? With those questions, this reporter had an interview with Zheng Dunxun, president of the China National Chemicals Import and Export Corporation.

Zheng Dunxun said: A conglomerate corporation mainly deals with trading businesses, and includes trade, industrial production, technological development, financial, information, and other functional departments. It is a comprehensive international trading group with varied business concerns. Its characteristics include "largeness, diversification, extensiveness, promptness, specialization and comprehensiveness."

He offered the following explanations: "Largeness" means the scale of operations of such a corporation being very large. "Diversification" means such corporate deals with many kinds of commodities, from pins and instant noodles to such things as whole sets of equipment and satellites. "Extensiveness" means such a corporation has branches all over the world and a worldwide operations network. "Promptness" means such a corporation has the means to promptly transmit messages and has access to numerous types of information. A conglomerate corporation has connections throughout the world and a global information network. Each day large volumes of information are promptly transmitted to the headquarters for analysis, processing and research, and such information will be sent back to its branches in various places of the world. "Specialization" means various departments and companies of such corporations are highly specialized, with experts in various fields. "Comprehensiveness" means that various specialized departments and companies of such a corporation constitute a comprehensive entity.

Zheng Dunxun said: The formation of a conglomerate on a trial basis is to meet the demand of the market economy, and is conducive to developing markets and circulation and economic and trade work on a large scale. It will be conducive to forming a unified nationwide market and even promoting the rational circulation and allocation of resources in the entire world.

In early 1987, the leading members of the China National Chemicals Import and Export Corporation summed up the experience of the reform of foreign trade system since the beginning of reform and opening up and the trend of development, and analyzed various advantages and disadvantages of the corporation. It formally put forward a development strategy of "three changes and development in three aspects" to turn the corporation into an internationalized operation, namely changing from import and export trade to internationalized [guo ji hua 0948 7139 0553] trade, changing from commodity trade to multi-functional operations and changing from China's foreign trade corporation to a multinational corporation, and turning the China National Chemicals Import and Export Corporation into an internationalized, modernized, and conglomerate socialist enterprise. This development strategy quickly received state support. In December 1987, the state formally approved the corporation to contract for internationalized operations on a trial basis. In 1988, the corporation formally implemented its internationalized operations strategy. After seven years of development, the strategic goal has been realized in the main. In 1994, the total volume of business of the corporation

reached nearly \$15 billion, of which the total volume of international business reached \$7.858 billion. Starting in 1989, the China National Chemicals Import and Export Corporation has been ranked first among China's largest foreign trade enterprises. For five years running, the corporation has been listed among the top 30 of the 500 world's largest consortia with multi-functional services. Zheng Dunxun confidently said that after 10 more years the corporation may rank among the top 10 of the world largest consortia. The corporation now has fundamental conditions for becoming a multinational conglomerate.

The establishment of China's first conglomerate corporation is not only the development strategy of a corporation, but, what is more important, also a component of China's establishment of its modern enterprise system at selected units. It is an important test in the reform of China's foreign trade system and in exploring the methods of integrating trade, industrial production, and technologies.

Zheng Dunxun pointed out the goals of the corporation, including the formation of a conglomerate based on a modern enterprise system, an enterprise with stock controlled by the state, and a principal investment corporation with power entrusted by the state. Through the reform of the company system, the corporation will become an entity incorporated with state investment [guo jia du zi you xian ze ren gong si 0948 1367 3747 6327 2589 7098 6307 0117 0361 0674].

Zheng Dunxun emphatically pointed out: The China National Chemicals Import and Export Corporation will become a place with a concentration of talented people. The corporation will select and employ the most outstanding university graduates, including those with master's degrees and doctorates. In addition, the corporation will select and employ foreign talent throughout the world to jointly develop the conglomerate.

#### Director Interviewed on Trademark Protection

HK0805055395 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 11 Apr 95 p 3

[Interview] by Zhou Bo (0719 3134) in the "Intellectual Property Rights in China" column: "Records of Interviews and Conversations on Intellectual Property Rights in China, Part 2: 'Trademark Agents: The View on This Side Is Beyond Comparison: An Interview with Yuan Shihuan (5913 0013 1403), Director of the Beijing Municipal Trademark Office"; place and date not given]

[FBIS Translated Text] Note from the columnist: RENMIN RIBAO OVERSEAS EDITION has published close to 30 editions of the special column "Intellectual

Property Rights (IPR) in China," which has been universally praised by domestic and overseas readers.

One important area we have not touched on in our reporting on the current status and development of IPR is the protection of trademarks in China. In fact, trademark protection is the more sophisticated part in our legislative efforts and enforcement of IPR. Trademark protection was the least contentious issue in the recently concluded Sino-U.S. talks on IPR.

We will present to the readers a picture of trademark protection in China through an interview with Yuan Shihuan, director of the Beijing Municipal Trademark Office. An interview with Mr Li Bida of the State Trademark Office is forthcoming. [end columnist's note]

The Beijing Municipal Trademark Office (BMTC) is named by the PRC State Administration for Industry and Commerce to be the agent for trademark affairs. Founded on 1 August 1992, it is one of the country's 17 offices empowered to handle trademark affairs involving foreign businesses. In the last two years, to meet the needs of a developing market economy, the office has continuously improved and perfected its internal mechanism, used modern management techniques to build and maintain an extensive business information network, and acted as an agent for firms in the same industry, and provided all-round, accurate, prompt, and good services for big domestic and overseas clients. In October 1994, the office was awarded the honorary title of national advanced trademark affairs unit. A few days ago, this newspaper interviewed Mr Yuan Shihuan, the office director, on the work and achievements of the office and the current status and development of trademark agent services in China.

[Zhou] The founding of the BMTC ended the verification and transfer system in trademark registration, which was the system enforced in the Beijing Municipality for the last 40 years, and completed reform in the procedures for trademark registration and agency petitions. Can you tell us the story behind this reform?

[Yuan] The BMTC was founded to meet the needs posed by the development of a socialist market economic system in our country. In line with the 14th Party Congress's requirement of establishing a socialist market economic system and the Trademark Bureau's goal of perfecting the trademark agent system and bringing the scope of trademark protection and registration procedures more in line with prevailing international practices, we have pursued the following tasks:

One, we have built and perfected a trademark agent system in order to satisfy the needs of the market



economy. This is the reason why the office was founded. In line with the requirements of the market economy, we have established an internal operating mechanism capable of self-restraint and self-development. Two, we have emancipated minds, changed concepts, and raised the awareness of improving service quality and efficiency. Three, we have propagated trademark law, raised the social awareness of trademark, and promoted the trademark agent system.

So far, our office has acted as an agent for over 30,000 clients, helping them with trademark petitions, research, and designs. This indicated the brisk business climate in the Beijing Municipality as a result of deepening economic reforms as well as the vitality of the trademark agent system.

**[Zhou] What specific achievements in the trademark agent business are we looking at as a result of the office's demand of "efficient and quality service" from its staff?**

**[Yuan]** We launched an office-wide education campaign to instill a service mentality in our staff, which held that "everything is done for clients" and "clients are our gods." We have built a trademark data bank, improved the working conditions in the office, raised work efficiency, developed new agent methods, provided door-to-door service, and expanded the trademark agent service.

In October 1993, we established contact with the National Administration of State Property. With their help, we cooperated with an intangible asset rating unit in exploring the trademark market and the market for rating intangible assets. Our cooperation in trademark evaluation has given old firms in Beijing a new lease of life. The owners of old names such as Quanjude Peking Duck, "Peacock" woolen sweaters, and "Luminous Cup" wine benefited from joint-capital venture accords they signed with foreign firms which looked at their trademarks as intangible assets accounting for 20 to 30 percent of the registered capital. This stemmed the drain of state and corporate assets and brought solid benefits to enterprises.

Evaluating the practices of the last year, we found that the assessment of enterprises' trademarks carries three aims: One, to invest in and transfer trademark assets. An assessment of the profitability of a trademark asset can protect the interests of the investor. Two, to identify assets and their potential value. Social recognition is acquired through advertisements and publicity, which will provide proof of the legitimate rights and interests of investors in trademark assets. Three, to promote trademark assets for the purpose of realizing compensations for trademark assets (surely

violations?). Asset assessments carry profound effects, the development of which is an integral part of the socialist market economic system.

**[Zhou] You have dealt with trademark agency for many years. Based on your practical experience, what do you think are the problems with the current trademark agency system?**

**[Yuan]** The essential objective of the trademark agency system is to protect the legitimate rights and interests of the owner of a trademark from infringements. Following the promulgation of the new trademark law and laws protecting the rights of consumers, consumers have acquired a better sense of protecting themselves. They now know how to defend their rights with the weapon of laws. Production and sales units now give greater importance to the functions and significance of trademarks. But there are still problems. Trademark agents in many localities still have to bear with the failure to distinguish between government from business operations, with administrative powers meddling in normal trademark agent procedures. Most of the offices handling trademark agent business are small and earn little, and cannot cope with the demand of social development. This is one of the factors hampering the trademark agent system from growing.

**[Zhou] What are the causes of many trademark infringements we are witnessing?**

**[Yuan]** The causes are varied. First, there is serious local protectionism to reckon with. Each locality has its own set of administrative rules to protect its local interests. Second, there are too many departments investigating and dealing with trademark infringements. The Customs, Technology Supervision Bureau, the Administration of Industry and Commerce, the Trademark Bureau are all involved. The lack of coordination between these departments spawns loopholes and renders measures ineffective. For example, customs sometimes sell fake and inferior commodities they seized at reduced prices, so that these fake goods still end up circulating in society and on the market. Third, the penalties imposed by trademark law are too lenient; especially in connection with garments, food, cigarettes, and other daily necessities, where huge profits often lure criminals to take on the law. Small fines are not sufficient deterrents. Moreover, criminals are becoming increasingly sophisticated in their techniques of producing fake goods — they often are equipped with quite advanced means of communication, keeping themselves one step ahead of law-enforcement agencies.

Therefore, it is a rather long process to perfect and improve the trademark agent system. We need to adapt

to the development of the market economy while making efforts to converge our practices with international conventions. The BMTC should also standardize and make more scientific its internal mechanisms and work procedures. It should work hard to become a first-rate trademark office in China in a few years' time.

**Court Invalidates U.S. Firm's Patent on Invention**  
*HK0905040195 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 30 Mar 95 p 4*

[By staff reporter Gao Changjun (7559 1603 4596): "China Declares U.S. Patent of Invention Null and Void"]

[FBIS Translated Text] Not long ago, a case involving a demand that a foreign patent be declared null and void, the first of its kind in China, ended up with an announcement by the review commission of the China State Patent Bureau that the Qingdao Guojian Company had won the lawsuit.

The Qingdao Guojian Company is China's largest base for the production of hard capsules for medical use. With an annual output of 3.6 billion capsules, it is the foremost factory in China's rubber industry [san jiao hang ye 0005 5231 5887 2814]. In October last year, Warner Lambert Company [wo na lan bo te 3087 4780 5695 0130 3676] of the United States sent a letter to the Shandong Provincial Patent Bureau, suing the Qingdao Guojian Company for infringing their invention patent of "improved capsule shape" for which they applied to China for a patent in 1985, and demanding that the Guojian Company be held responsible for its "right infringement conduct."

In the face of a suit involving a foreign firm, the Qingdao Guojian Company and the Qingdao City Patent Services Center set up a team to deal with the accusation, which consulted relevant documents from a large quantity of patent documents at home and abroad. It was verified that, as far back as in 1968, before the U.S. Lambert Company had applied for the patent, the patent of this technology had been applied for, made public, and extensively used in society. Consequently, it was no longer original and creative, and could not be regarded as a patent. Thereupon, Guojian Company asked the State Patent Bureau to hear this case. In accordance with the law, the review committee of the State Patent Bureau ruled that the capsule patent of the U.S. Lambert Company was invalid. It also announced that if the U.S. side was unconvinced, it might file suit with the Beijing Intermediate People's Court within three months following receipt of the decision. Since the Intellectual Property Rights Trial Court of the Beijing Municipal Intermediate People's Court did not receive the indict-

ment of the U.S. side within the legal time limit, the ruling of the State Patent Bureau took effect. This was the first case within the borders of China in which a foreign patent of invention was declared null and void.

**Settling Trade Disputes in Friendly Manner Urged**  
*HK0705073695 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 7-13 May 95 p 1*

[By Gao Bianhua: "Textile Inquiry Ill-Considered"]

[FBIS Transcribed Text] Japan's unilateral quota limit investigation into China's textile exports will hamper the healthy development of bilateral economic and trade relations, a Chinese official said.

Feng Hongzhang, deputy director-general of the Foreign Trade Administration at the Ministry of Foreign Trade and Economic Co-operation (Moftec), said trade disputes should be settled through friendly consultations.

Instead, the Japanese Government announced on April 21 that it would launch a unilateral quota limit investigation into part of textile imports from China regardless of China's strong opposition and its sincere efforts to better administer the textile exports.

Starting at the end of last year, Feng said, China has implemented the general licences administration to part of its textiles for export which were previously free of export licences.

The country as well reinforced the role of the China Chamber of Commerce for Import and Export of Textiles, which acts as a coordinating department for textile exporting enterprises to examine exporting prices as well as relations between textile sellers and buyers.

In addition, to make the textile trade with Japan develop in a healthier way, Moftec has paid close attention to China's textiles exported to Japan and has made follow-up investigations, Feng said.

"As far as we understand, these regulatory measures have produced initial good results.

"It's unwise for Japan to ignore the circumstances and announce the unilateral quota limit investigation," Feng stressed, adding that China will continue to regulate textile exports based on the previous experience.

Japan intended to launch the investigation, arguing that the big growth in part of China's textile exports in recent years has injured its domestic textile industry.

Feng noted, however, that Japan's sluggish textile industry mainly resulted from its industrial restructuring.

High labour costs, steep appreciation of the Japanese yen and short supply of some raw materials all made the



textile sector a "sunset industry" in Japan and compelled many Japanese textile manufacturing companies to transfer operations overseas.

China is the major target of those firms.

According to Japanese statistics, Japan invested in 336 overseas textile projects in 1993 China accounted for 247 of these or 73.5 per cent.

"Those Japanese-invested firms sold large amounts of textile products back to Japan, which contributes a significant portion of China's fairly rapid increase of textile exports in recent years," Feng said.

On the other hand, he added, textile products constitute the bulk of China's exports to Japan and are an important commodity to balance Sino-Japanese trade.

By the end of 1994, China suffered a \$50.375 billion trade imbalance with Japan, according to Moftec statistics.

The Japanese Government has time and again pledged to increase imports from China. "It's hard to understand why Japan imposed quota limits on Chinese textile exports," Feng said.

"The unilaterally-imposed quota limits investigation has cast a shadow on Sino-Japanese trade."

Japan will decide within a year whether to impose unilateral quota limits on part of textiles exported from China and other countries according to the investigation results.

That eventuality would have "serious consequences" on bilateral trade, Feng noted.

With the establishment of the World Trade Organization, free trade in textile products has become an irreversible trend, Feng said, adding that Japan's move derails the international trend.

**Rules on Oil Development Accepted During Bidding**  
*HK0705073995 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 7-13 May 95 p 8*

[By Chang Weimin: "Petroleum Rules Prove Valuable in Rounds of Bidding"]

[FBIS Transcribed Text] Four rounds of international bidding for exploration in seas and another two rounds for onshore areas have been conducted by the China National Offshore Oil Corporation (CNOOC) and the China National Petroleum Corporation (CNPC) — stewards of the nation's oil exploration and development efforts.

National rules and regulations on oil development have been accepted during the bidding, constituting a

relatively complete legal system. They are expected to be applied to the third round of onshore bidding to be kicked off by CNPC in June.

The laws and regulations—drawn to reflect international conventions and China's own circumstances—address exploration and development, contractors rights and obligations, taxation, environmental protection and handling of technical data from abroad.

According to the rules, the State Planning Commission is to examine and approve proposals and plans on Sino-foreign cooperative projects in petroleum exploration and development.

Main points of the rules include the following:

— The Chinese Government provides protection for foreign investors' rights, their oil operation and their profits from business;

— Oil developed in joint ventures should be valued and priced in accordance with current levels on the international market.

Chinese oil fields, however, can only sell oil they develop at government-controlled prices, which are too low to meet production costs as the government has strictly controlled price for the sake of inflation.

— Equipment, spare parts and materials that are brought from abroad for oil operation are exempt from customs duties and industrial and commercial taxes which are imposed on Chinese enterprises;

CNOOC has adopted flexible policies that are claimed beneficial to foreigners. They include:

— CNOOC provides foreign cooperative partners geological data and materials continuously and timely about open areas;

— To reduce risks for foreign investors, CNOOC allows them to sign agreements on initial physical prospecting and testing wells drilling before final exploration contracts are clinched. Thus they can decide in accordance with results from the prospecting;

— Foreign oil firms can conduct trial development with CNOOC in oil fields they discovered if the geological situation of the fields is too complicated to lead to conclusion on the commercial value in a short time before final decision on official development is made;

— Foreign oil firms are exempt from the obligations stipulated in contracts that they should train Chinese employees and transfer technology to Chinese during the seven years of exploration.

Officials from CNPC said their firm is ready to adopt even more flexible policies as oil-bearing blocks of wide-range differences allow it to do so.

#### **Joint Efforts Necessary for Strong Economic Ties**

*HK0705073295 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 7-13 May 95 p 1*

[By Sun Hong: "Strong Ties Merit Long-Term View"]

[FBIS Transcribed Text] Joint efforts are needed to forge lasting Sino-U.S. understanding and mutually beneficial economic ties, says an official with China's foreign trade ministry.

Wang Zhiquan of the Ministry of Foreign Trade and Economic Co-operation (Moftec) called on the U.S. to take a long-term view of trade relations and expressed regret about Washington's decision to cut imports of Chinese made textiles by 1.83 million dozens.

That measure, carried out on May 4, is expected to deal a considerable blow to Chinese exports: textiles make up nearly a quarter of the nation's annual exports to the United States.

Wang, who heads the Department of American and Oceania Affairs at Moftec, said negotiations are being carried out on settling the problem, but "we think such a unilateral decision without convincing facts has broken the bilateral agreements on textiles.

"It has a strong tint of protectionism and will destroy normal bilateral trade order. Also, it will hamper our efforts to curb illegal trade." Wang said that for the most part, skirmishes are inevitable considering the growing momentum of bilateral trade and economic co-operation.

"The point is taking a positive attitude towards solving them," he said.

Sino-U.S. trade has viewed fast growth. Bilateral trade in the first three months of this year hit \$7.7 billion, a rise of 33 per cent over the same period a year ago.

Last year, bilateral trade hit \$35.4 billion, making the U.S. China's third-largest trading partner and China the sixth largest trade partner of the United States.

Disputes have arisen concerning the trade deficit on the U.S. side, which Wang attributed to several factors, including different counting methods, growing exports of U.S.-funded firms in China and limits placed by the U.S. on sales of high-tech products to China.

"(Those) products are competitive and have a strong market demand in China. A relaxation of the limits by the Clinton administration will help China expand its imports from the United States," he said.

He criticized the increase of unsubstantiated anti-dumping measures against Chinese exports as a tool of protectionism, adding: "Many of these charges are based on the biased judgement that China has a planned economy, which is not the fact."

He cited the case of Chinese exported honey, which has been slapped with a 150 per cent anti-dumping tax by the U.S..

"The price of honey in China has been freed from government control since 1990."

Inexpensive Chinese-exported light industrial products such as clothes, toys and shoes have benefited numerous U.S. consumers, especially in middle and lower classes, Wang noted.

"Limitations on importing these Chinese products will hurt the U.S. consumers' interests."

Wang expressed hope that the U.S. side can take an active and flexible attitude during the talks scheduled to be resumed next week on China's access to the World Trade Organization.

#### **Large Quantities Import of Raw Plastic Materials Needed**

*HK0905091895 Hong Kong CHING CHI TAO PAO in Chinese 13 Mar 95 No 10, p 19*

[From "Chinese Economic News" column: "China Still Needs To Import Massive Quantities of Raw Plastic Materials"]

[FBIS Translated Text] Due to rapidly growing domestic market need and inadequate domestic production capacity, the import of raw plastic materials to China has increased enormously in recent years. A large part of the domestic market need this year is still expected to be met through imports.

The output of China's high-pressure polyethylene is calculated at 406,000 tonnes this year but, with aggregate social demand at about 1.195 million tonnes, there is a gap of about 789,000 tonnes. The output of low-pressure polyethylene is calculated at 527,000 tonnes but, with aggregate social demand at 725,000 tonnes, there is a gap of 198,000 tonnes. The output of linear polyethylene is calculated at 178,000 tonnes but, with aggregate social demand at around 329,000 tonnes, there is a gap of around 151,000 tonnes. The output of polypropylene is calculated at 1 million tonnes but, with aggregate demand at 1.54 million tonnes, there is a gap of around 540,000 tonnes. The output of ordinary polystyrene is expected to reach 165,000 tonnes but, with aggregate social demand at around 220,000 tonnes, there is a gap of about 55,000 tonnes. The domestic output of ABS



resin is calculated at 78,000 tonnes but, with aggregate social demand at 200,000 tonnes, there is a gap of about 122,000 tonnes. Of the major raw plastic materials mentioned above, with the exception of ABS resin, of which there was a surplus last year as a result of the import of over 700,000 tonnes and for which demand can be met by regulating stocks this year, the shortfalls of raw plastic materials should still be made up through imports.

#### **Ningbo Building Industrial Belt in Coastal Area**

OW0805042895 Beijing XINHUA in English  
0200 GMT 8 May 95

[FBIS Transcribed Text] Ningbo, May 8 (XINHUA) — A modern industrial belt is being built along the coastal area near Ningbo, a port city in east China's Zhejiang Province.

The new industrial belt, extending 117 km along the coast and covering an area of 653 sq [square] km, will accommodate such industries as petrochemicals, power, shipbuilding and steel.

In the petrochemicals industrial zone, Zhenhai Oil Refinery Co. Ltd with an annual capacity of seven million tons of oil, 300,000 tons of synthetic ammonia and 520,000 tons of urea is being built.

Also under construction is a solely US-owned petrochemical project. With a total investment of 3.5 billion US dollars and covering an area of six square kilometers, the project includes facilities to annually refine five million tons of oil and produce 800,000 tons of ethylene, 200,000 tons of polyester and some fine petrochemicals, a thermal power plant and a dock with an annual transport capacity of 200,000 tons of crude oil.

In the power industrial zone, the Zhenhai Thermal Power Plant with a capacity of 1.05 million kw is being built. Meanwhile, the Beilungang Power Station, China's first large power construction project being built with a World Bank loan, will have a capacity of 3.6 million kw. Two of the generating units have already been put into production.

Besides, preparatory work is underway for three other power plants of 2.4 million kw each, at the city's Xiangshan Harbor. These power plants, the official said, will push the area's total power generating capacity to eight million kw by the year 2000.

By now, a steel joint venture between the Zhejiang government, Shanghai's Baoshan Iron and Steel Complex and a US steel giant was agreed upon in 1992. The plant is expected to produce 1.6 million tons of steel, 1.6 million tons of iron and 1.45 million tons of steel products when completed. Two other steel plants will also be built in the area.

To improve the infrastructure in the belt, Ningbo City is busy with the construction of a number of projects such as a railway, highways and seaports. The area, experts said, will be an economic powerhouse for the city soon.

#### **German Firm Plans To Increase Investment**

OW0705144795 Beijing XINHUA in English  
1425 GMT 7 May 95

[FBIS Transcribed Text] Beijing, May 7 (XINHUA) — German Siemens Corporation plans to develop itself into one of the biggest foreign investors in China by the year 2000, according to a latest edition of the CHINA MACHINERY AND ELECTRONICS DAILY.

An executive of the company was quoted as saying that Siemens will stride forward to invest in China, as the country is the "world's most potential market".

Siemens has already established 25 joint ventures in China, and the number will add up to 35 by the end of this year. The total capital investment is as high as nearly 200 million German Mark.

The company has set up good cooperation relationship with Chinese firms in the fields of telecommunications, transport, medicine and automation.

It is estimated that by 2000, Siemens will set up 50 joint ventures in these sectors.

The business turnover of Siemens (China) Company reached one billion German Mark in the year 1994. It is expected that by the year 2000, the figure will be 11 times of present one.

By that time, the number of employees of the company will be increased to 30,000 from 5,000.

Siemens also showed big interest in participating in construction of the Three Gorges Project.

#### **Delegation Leaves for WTO Talks in Geneva**

HK0705073495 Beijing CHINA DAILY in English  
6 May 95 p 5

[By Wang Yong: "Chinese Leave for WTO Talks"]

[FBIS Transcribed Text] A delegation will leave for Geneva on Sunday to kick off a new round of informal talks on China's access to the World Trade Organization (WTO).

"We're ready to reciprocate with flexible manners should major WTO contracting parties carry out their promise to be positive, flexible and pragmatic," said Long Yongtu, Chinese assistant foreign trade minister and head of the delegation.

But he noted a major party which he did not specify, has not demonstrated readiness to give its word so far.

"I think the impending negotiations will be very difficult," he said.

U.S. Trade Representative Mickey Kantor said during his visit in Beijing in March the United States would give staunch support to China's access to WTO.

He said the United States would adopt a realistic and flexible attitude in the Geneva informal talks.

The two-week discussions will touch upon a wide range of issues including market access trade in services China's resumption protocol and certain substantial problems such as the intention of one WTO party to resort to the Non-Application clause.

Long said the schedule is very tight as the European Union, the United States and Japan have requested immediate discussions.

The secretariat of WTO, on behalf of Ambassador Gerald who is chairman of the Working Party on China, formally invited concerned parties on April 11 to launch informal talks in Geneva starting from May 9.

"Taking into account the request of the parties concerned we've accepted the invitation and agreed to take part in the talks," Long said.

"We attach great importance to this round of talks. Our door of (negotiations on) access to WTO has never been closed," he said.

He added China's entry into the world free trade body is in line with the country's goal of deepening reforms and expanding opening.

"China is willing and ready to act in accordance with internationally-accepted rules in trade and investment."

China failed to resume its contracting party status in the General Agreement on Tariffs and Trade (GATT) last year.

After the conclusion of the last round of negotiations in Geneva on December 18, Gerald invited concerned parties to resume talks this year, but China did not respond to his invitation at that time.

GATT was replaced by WTO at the beginning of this year.

China began to apply for re-entry into GATT in 1986.

#### Article Views Increasing Awareness of IPR

HK0905045095 Beijing SHIJIE ZHISHI in Chinese  
16 Mar 95 pp 28-30

[Article by Zheng Chengsi (6774 2052 1835): "'On Intellectual Property Rights'"]

[FBIS Translated Excerpt] [passage omitted] **The Issue of Intellectual Property Rights Has Become a "Hot Spot" in China Several Times**

The public concern about intellectual property rights in China and the fact that the issue of intellectual property rights has become a "hot spot" in society several times have come about primarily due to several international bilateral talks.

In 1979, when signing with the United States for the first time the "Sino-U.S. High-Energy Physics Agreement" and the "Sino-U.S. Trade Agreement," China was surprised to find that the clause which the U.S. side persistently required in the agreements was one concerning the "protection of intellectual property rights." According to the U.S. side, the U.S. President had instructed that no U.S. representatives had a right to sign bilateral science and technology, culture, and trade agreements without clauses on intellectual property rights.

For the Chinese side, we could not rashly sign any agreement which contained a clause we did not completely understand. So we had to begin studying "intellectual property rights."

The "fever of intellectual property rights" this time did not involve many areas, but it did serve as a motive force prompting us to train the first batch of Chinese experts in this field. Some of them have died, but others are still working industriously in this field.

Most people must still remember the next "fever of intellectual property rights" was sparked by the Sino-U.S. talks over intellectual property rights during 1991 and 1992. In this period, the problem concerning intellectual property rights attracted great attention from various circles, especially the leadership. In many institutions of higher learning, "intellectual property rights centers" and "intellectual property rights colleges" were set up or planned or a specialization in intellectual property rights was offered by the law department, while the State Education Commission considered making the "law on the intellectual property rights" a secondary discipline. Later in 1993, the Beijing intermediate and higher people's courts took the lead in setting up a special court for hearing intellectual property rights cases.



### **"Intellectual Property Rights" Are in Essence "Private Rights"**

During the "10-year period of turmoil," if a writer had asked for payment when his book was published, he would have been criticized for it and considered as "regarding knowledge as private property." Since reform and opening up, however, people's ideas and concepts have undergone a great change and many people of insight have begun to realize that, under the socialist market economy, the right to intellectual property is a "private right." The "intellectual property rights agreement" signed at the end of the GATT Uruguay Round clearly required the member states (or member regions) to acknowledge that the intellectual property right was a "private right."

None of China's existing laws and regulations, including the patent law, the trademark law, and the copyright law, acknowledge that the intellectual property right is a private right, although China's patent right law provides that the unit under ownership by the entire people (the state, in reality) is allowed to "possess" patent rights. China's copyright law also provides that the copyright inherited by none belongs to the state. Under the two circumstances, however, the essence of the intellectual property right as a private right is not changed. The "private right" does not only refer to a "personal" right, but also to the right belonging to a specific main body, as opposed to the "public right." The "public right," such as the right to vote for adults, can be exercised by non-specific persons of the public.

### **The Role Played by Intellectual Property Rights in the Market, Competition, and Transfer**

Some intellectual property rights can only be realized with approval of the administration. For example, when somebody invents something, he does not necessarily enjoy the right to its patent. He must apply to the patent bureau for the patent right, and he will not enjoy the right until the patent bureau has granted approval after making an inspection. There are other intellectual property rights whose realization is not conditional on administrative approval. For example, when someone has written a novel, he will enjoy the copyright spontaneously according to law. In most countries, the patent right and the trademark right cannot be realized until approval is granted by the administration, while the copyright does not need administrative blessing.

For the overwhelming majority of owners (or the main body) of the intellectual property right, it represents only the first step to obtain the relevant intellectual property right. The purposes of obtaining the right are to utilize it in the market, to gain an edge in the competition, and to benefit from the transfer of the right. Therefore, it is

necessary for them to defend their intellectual property rights in accordance with the law.

As the tide of the market economy surged forward, there was no lack of such cases in China: Some enterprises did not apply to the registry office for the patent or the trade mark right as they should have and as a result lost the market which they should have occupied; some enterprises extricated themselves from a predicament thanks to the realization of a patent right; and some enterprises did not realize the value of their trade mark, which had enjoyed public trust, and easily transferred it to other people, with the result that its own products became stockpiled.

### **Several Matters Must Be Clarified**

It is not a bad thing that intellectual property rights have "attracted great attention" from the public in China. But people must make earnest efforts to gain a clear idea of the concept and characteristics of intellectual property rights, of the relationship between laws on various intellectual property rights, and of the relationship between the law on intellectual property rights and other laws. Only in this way can any unit, enterprise, or individual immediately obtain their intellectual property right as soon as they are entitled to it, can make the best use of it, can defend it without hesitation by various means (including administrative, judicial, and other means) available to them when they need to do so, and will know how to value other people's intellectual property rights so as not to commit crimes for infringing upon them.

## **Agriculture**

### **China Confident About Grain Self-Sufficiency**

OW0905084295 Beijing XINHUA in English  
0811 GMT 9 May 95

[FBIS Transcribed Text] Beijing, May 9 (XINHUA) — China is capable of ensuring sustained improvements in the production of grain and agricultural side-line products, and is sure of self-supply of grain in the 21st century, according to the Ministry of Agriculture today.

A report released here today by a soft science commission with the ministry, said that despite pressure from a growing population and decreasing farmland in the years to come, the Chinese nation will be able to feed itself with further exploitation of the potential of the farmland, improvement of production facilities and progress of science and technology.

The report argued that in the past 45 years, while the per capita farmland was reduced from 0.18 ha to the current 0.08 ha, the per capita grain supply grew from

209 kg to 380 kg, and China has fed 22 percent of the world's population with only seven percent of the world's farmland.

It estimated that by 2030, when the total population will reach 1.6 billion and per capita consumption of grain be increased to 400 kg, the total demand will amount to 640 million tons, an increase of 190 million tons from 1990.

The report said that with the acceleration of industrialization and urbanization, the trend of diminishing farmland is inevitable, but the adverse effects can be hedged by scientific and technological progress and enhanced productivity.

Meanwhile, it said, the Chinese government plans to open up 330,000 ha of wasteland annually.

"Therefore, the amount of farmland which will be lost will not be as serious as some overseas scholars have predicted," the report said.

It is estimated that by increasing multiple cropping, China's grain growing area can be maintained at 107 million ha by 2030.

"Also, the current 60 million ha of farmland with relatively low yields can see a rise of grain output by 1,500 kg per hectare," it added.

The report contended that the potential of agricultural science and technology advances in pushing up grain production has yet to be exploited.

"In the past 45 years the species of grain have undergone renewal three to five times, with grain production surging by more than 10 percent each time. However, agricultural science and technological advances have only accounted for about 30 percent of the promotion of grain production, the rate being far below that of some advanced countries."

The report said that about 6,000 agricultural science and technology research results are obtained each year in China, and through proliferation of these research achievements grain output can be increased substantially.

Nevertheless, the report cautioned, China needs to make hard and unswerving efforts in order to ensure a higher growth rate of grain output than that of population in the years running through 2030.

It said that the government should keep its current policy of increasing agricultural investment, spending more on agro-science research projects and proliferation of the research achievements, in addition to protecting farmland.

### Article Lauds Success of Spark Program

HK0805043095 Beijing RENMIN RIBAO in Chinese  
23 Mar 95 p 5

[Article by the Investigation and Study Office Under the General Office of the CPC Central Committee, and the Rural Science and Technology Department and the Investigation and Study Office under the State Science and Technology Commission: "A Successful Way for Integrating Science and Technology With the Rural Economy"]

#### [FBIS Translated Text] I. Remarkable Achievements

The Spark Program was first launched in 1985. As a scientific and technological development project ratified by the party Central Committee and the State Council and implemented by the State Science and Technology Commission, the program is aimed to spread the sparks of science and technology to the country's rural areas, guide peasants to invigorate agriculture by applying scientific and technological advances, help township and town enterprises upgrade themselves, accelerate the development of the rural economy, and expedite the process of agricultural modernization. Starting with one-time experiments and demonstrations, the Spark Program has scored good results in the course of establishing pillar industries and Spark technology-intensive zones, and has undergone considerable improvement during the comprehensive development of the regional economy. The implementation of the Spark Program has opened up a new prospect for gearing scientific and technological researches to the needs of the rural areas, and has fully demonstrated the tremendous power of science and technology in boosting both agricultural production and rural economic development.

**1. The program has helped promote the rural economic growth and increase the income of peasants.** As of the end of 1993, a total of 50,634 Spark projects had been well underway in 85 percent of the counties across the country, while 26,781 Spark projects, 52.8 percent of the total projects launched, had been successfully completed; and with a total input of 47.67 billion yuan, the Spark Program had created a total output value of 235.87 billion yuan, made 37.87 billion yuan in profits and taxes, and earned \$4.04 billion in foreign exchange. Entailing a relatively smaller input by the state, these Sparks projects are now able to render bigger yields and better economic results. Gushan Township of Fuzhou City, Fujian Province, was listed among the country's first pilot areas for the establishment of Spark technology-intensive zones in 1987; by the year 1993, the township's total output value of society had reached 1.823 billion yuan, registering a 17-fold



increase over that of 1986; the volume of its export deliveries, 1.12 billion yuan, 16 times as much as that of 1986; its total industrial output value amounted to 1.575 billion yuan, 17.5 times the size of 1986; and the per capita net income of peasants totalled 2,580 yuan, up by 277 percent over 1986. Through the implementation of Spark projects, peasants of the Bajiahu Village of Urumqi County, Xinjiang, have seen their per capita net income reach 3,500 yuan. By adopting the production pattern of using farms to bring along households, the Wen's Foodstuffs Group Limited in Xinxing County, Guangdong Province, has successfully raised the net annual income of ordinary chicken-raising households to as high as 10,000-20,000 yuan.

**2. The program has helped enhance the technological and management standards of township and town enterprises, thus expediting the process of urban-rural integration.** Over the past several years, 80 percent of Spark projects have been geared to the needs of township and town enterprises, and more than 400 sets of new technological equipment developed; as a result, the technological progress of township and town enterprises has been promoted, their labor productivity enhanced, and their comprehensive economic strength reinforced. Establishing Spark technology-intensive zones and developing regional pillar industries is an pioneering move and also a development focus of the Spark Program. By the end of 1993, the country had set up 45 national-level Spark technology-intensive zones, given shape to 71 national-level regional pillar industries, and fostered hundreds of Spark industrial groups which enjoyed an output value of over 100 million yuan with a total profit and tax exceeding 10 million yuan.

The establishment of Spark pillar industries and technology-intensive zones has given impetus to the development of social welfare undertakings, and accelerated the construction of new townships and towns in rural areas, thus contributing to the realization of modernization in rural areas. Alongside the development of rural industrialization, new-type rural townships and towns are emerging in large numbers, particularly in coastal areas of the southeastern part of the country, which enjoy an affluent material life, advanced social welfare undertakings, and a simultaneous development of material and spiritual civilizations.

**3. The program has helped optimize the rural industrial structure, and speed up the transformation from a traditional agriculture to a modern one.** The projects of the Spark Program mainly cover 10 major fields. About half of the total projects are intended to coordinate crop farming and its processing industry with major industries; while projects involved in agricultural-

use chemical industry and refined industrial chemicals as well as in livestock breeding and its process industry account for 80 percent of the total. Through projects for the promotion of industry and through the comprehensive development of cash crops, Chinese herbal medicines, as well as special fine-quality agricultural, livestock, and aquatic products of famous brands, the Spark Program has effectively stepped up the readjustment of the rural industrial structure, the product mix, and the transfer of rural labor forces.

In 1987, the total industrial output value of Beijiao Township in Shunde City, Guangdong Province, stood at a mere 17 million yuan, which accounted for 44.7 percent of the township's total industrial and agricultural output value. In 1986, the township began to engage itself in Spark projects. Through optimizing its primary industries, readjusting secondary industries, and promoting the tertiary industries, the township has successfully fulfilled the historical transformation of its economic structure from one mainly relying on agriculture to one mainly relying on industry. By 1993, the township's total industrial output value had reached 3.88 billion yuan, making up 85 percent of its total industrial and agricultural output value; while the total work force employed by industrial enterprises accounted for 44 percent of the township's total labor force. Over the past nine years, Zhangzhou City, Fujian Province, has engaged itself in both fruit cultivation on reclaimed wasteland and fresh water fisheries; and over 400,000 laborers have been absorbed, which make up 30 percent of the city's total labor force. By paying simultaneous attention to farming, livestock breeding, and processing, and by integrating agriculture with industry, science, and trade, all of the aforementioned areas have fully demonstrated the increasingly important role playing by the Spark Program in transforming a self-reliant traditional agriculture into a modernized and highly efficient type of farming that provides greater and better yields.

**4. The program has opened a new road for promoting the economy and changing the backward looks of mountain areas by applying scientific and technological advances.** Together with the aid-the-poor projects, the Spark Program has launched, in the light of local realistic conditions, a number of agricultural development projects featured by less investment, better efficiency, and higher economic returns, with a view to helping peasants in poor areas extricate themselves from poverty. For example, Ankang Region of Shaanxi Province has focused its efforts on developing products of the Jiaogulan [4819 5140 5695] series, and peasants can earn a profit of 2,275 yuan for every mu of Jiaogulan they cultivate. The 620 villagers of Longgu Village of Pingli County can now earn a per capita income of

962.79 yuan from the cultivation of Jiaogulan alone, and the year 1992 witnessed a total of 34 households in the village being lifted out of poverty. By focusing its attention on spreading the cultivation techniques of mushrooms, Fujian Province has provided new jobs for more than 50,000 rural laborers, while the total net income of mushroom growers increased by 350 million yuan. A reed boards factory in Bohu County, Xinjiang, has made use of the local resource of wide reeds to produce medium-density fiberboards, and as a result, the annual per capita income of local peasants has increased by some 60 yuan. It thus can be seen that the Spark Program is an effective way to aid the poor, for the program concentrates on inspiring the inherent vigor of poor areas, enhances their ability to seek self-development, and brings along their development and helps them attain prosperity by launching different development projects.

**5. The program has helped improve the quality of peasants as a whole, and brought up a contingent of Spark entrepreneurs.** By the end of 1993, the country had set up 601 Spark training bases, and provided trainings for 20.7 million peasants. What merits special attention is that a large number of management executives and operating personnel have begun to show talent, who enjoy a relatively high scientific and cultural attainment and an open mind, have the courage to make explorations and blaze new paths, and have the knowledge and ability to guide production. China's peasants are now making every efforts to remold their own image and characters, bid farewell to the natural economy, and take big strides towards the market economy.

Meanwhile, the Spark Program has also played a leading role in introducing science and technology into the country's rural areas on a large scale, and in closely integrating scientific technological researches with the rural economy. With its successful practice, the Spark Program has opened a new road with Chinese characteristics along which we can invigorate the rural economy by applying scientific and technological advances. The road of the Spark Program is one which can guide and bring China's rural areas onto the orbit of modernization.

## II. Valuable Experiences

The Spark Program has accumulated many valuable experiences from its practice over the past nine years. These are chiefly the following.

**1. It is imperative to act under the guidance of the market.** From its very start, the Spark Program has geared itself to the demands of the market, and closely monitored the market value and market capacities of its development projects. To successfully develop

Spark products, especially highly competitive "speciality" products, we must ensure that these products are well-saleable in both domestic and overseas markets and can occupy a certain dominant position in a considerable long period of time. Only in this way can the products be finally developed into industries and have their market value realized; and only by so doing can we enhance the rural labor productivity, give peasants the personal experience that science and technology means wealth, and thus win the consent and support of the vast numbers of peasants.

Township and town enterprises are the carriers of the Spark Program. Relying on the indomitable vitality and the flexible mechanism of township and town enterprises, the Spark Program has efficiently allocated resources by introducing technologies, funds, and able personnel through its development projects. Through the implementation of the Spark Program, the Xiyu Seeds Group Company of Xinjiang and the Qianlu Duck Farm of Shunyi County in Beijing have guided peasants to gear their production to market needs by adopting the method of linking companies with rural households, thus successfully integrating the small-scale production of peasants with the general market and greatly enhancing the economic efficiency.

With the ability to acquire market information and technologies through various ways and channels, the Spark Program has placed Spark enterprises in the lead of market competitions. During their implementation of the Spark Program, provinces including Jiangsu, Zhejiang, Fujian, and Guangdong have set their eyes on both domestic and overseas markets, given full play to their local comprehensive advantages, introduced advanced technologies and improved breeds, as well as acquiring considerable market information in good time through the township and town enterprises they have undertaken under the Spark Program; as a result, these provinces have successfully found overseas markets for the products of most of their development projects, and given shape to a large number of pillar industries with a total annual sales volume of over 10 million yuan.

**2. The government has fully played its role in giving guidance, exercising control and regulation, and providing services.** The Spark Program is not the business of one department—the State Science and Technology Commission; therefore, only when all government departments attach importance to and offer their support can the program continue to yield good results. The successful experiences of the Spark Program have been described by some local leading comrades as "a concert in which the government wields a good baton, the State Science and Technology Commission acts as lead singer, while departments sing the chorus." This sum-



marization has portrayed in a vivid and profound way the important roles played by governments at different levels during the implementation of the Spark Program.

Meanwhile, basing themselves on the needs of the market, science and technology commissions at all levels have formulated future development plans and targets for the Spark Program; determined the key fields and scope of development; exercised macrocontrol over the program; and adopt concrete policies and measures to reinforce management and supervision over the whole process of every Spark project. With a view to turning itself into a more workable program which displays a better flexibility and adaptability to the developments and changes of the market, the Spark Program has adopted a rolling pattern to readjust, supplement, and improve itself on a constant basis. The Spark Program is carried out simultaneously at three levels of the state, provinces (municipalities), and prefectures and counties, with a Spark Program office installed at each level. The establishment of every Spark project is subject to the scientific appraisal, examination, and approval of technical and economic experts mandated by science and technology commissions at all levels; in this way, the applicability of technologies used by such projects as well as the feasibility of their implementation can be guaranteed.

Bring into full play the functions of the government in giving guidance, exercising control and regulation, and providing services, the Spark Program is aimed to coordinate the development of both the economy and the society, and bring about a comprehensive growth to economic, social, ecological efficiencies; meanwhile, the program also refrains itself from making any interference into the internal operation and production of enterprises. As a result, the program has, on the one hand, guaranteed the unison of the national economy and the rationality of the industrial setup as a whole; and on the other hand, ensured the flexibility and initiative that can be enjoyed by enterprises in their production and operation.

**3. Colleges, universities, and scientific research institutions have acted as an intellectual base for the program.** The success or failure of the Spark Program hinges on the selection of technologies. In view of this, the Spark Program has paid consistent attention during the entire process of its implementation to attracting the scientific forces of colleges, universities, and scientific research institutions into the program, thus giving rise to the current situation wherein all social sectors are making concerted efforts to spread the scientific and technological advances in rural areas. By means of technological transfers, cooperative development, establishment of economic entities, technical training, personnel support,

and various other ways, the Spark Program has successfully opened a realistic road for rapidly turning scientific research results into productivity, and also found a intellectual base for the scientific and technology progress of rural areas. The Spark Program has adopted various measures to encourage scientific and technological personnel to contract, lead the operation of, set up, and provide technical services to Spark enterprises; and these scientific and technological personnel have performed meritorious feats in invigorating agriculture through application of scientific and technological advances. The extensive scientific and technological coordination has given the Spark Program a wide range of technological choices, so that it can choose best partners for technological cooperation and locate the most advanced applied technologies. The "Yuzhong Small-Scale Machinery and Electrical Technology-Intensive Zone," which is located in Shangyu City of Zhejiang Province, has established technical cooperative relations with more than 100 colleges, universities, and scientific research institutions across the country; as a result, some development projects of the zone have reached the world's advanced level and are yielding satisfactory economic results.

**4. Funds have been raised through various channels.** The capital input of the Spark Program is undertaken by three parties, namely, the state, localities, and units that contract the management of projects. The state renders its support by providing guidance for capital investment and loans, while both localities and units that contract for the management of projects are encouraged to raise funds by themselves through different channels and to fully mobilize all social sectors to invest in Spark projects. Nowadays, a new mechanism has taken its initial shape which mainly relies on loans and self-financing. By the end of 1993, a cumulative amount of 47.6 billion yuan had been invested in the Spark Program, of which government loans stood at 2.03 billion yuan, accounting for a mere 4.26 percent of the total; bank credit totaled 18.89 billion yuan, 39.63 percent of the total; while funds raised by enterprises themselves amounted to 26.75 billion yuan, making up as much as 56.11 percent of the total.

**5. Stress has been placed on the training and fostering of able personnel.** Another special feature of the Spark Program is that the program has closely integrated the development of Spark projects with the training of able personnel, paying simultaneous attention to both. The training work is carried out at different levels, with the state, provinces (municipalities and autonomous regions), and prefectures and cities holding themselves responsible for the work at their respective level; while units at the county level and below are mainly responsible for the work of spreading scientific and techno-

logical knowledge among the people, in line with the implementation of the Spark Program. All enterprises are required to organize technical training in connection with the projects they have undertaken. To foster qualified technical personnel, the Spark Program mainly provides short-term training schemes which center around the projects and products to be developed and new technologies to be spread, and which are usually conducted in various forms and at different levels in the light of local realistic conditions.

### III. Several Inspirations

**1. Efforts must be taken to explore a new pattern for integrating science and technology with the rural economy.** The current low organizational level of the rural industry and its weak ability to make use of scientific and technological advances have proved a major obstacle to the integration of science and technology with the rural economy. To tackle this problem, the Spark Program has, under the guidance of the market and through selection of projects, drawn up packaged plans on pooling together technologies, resources, funds, and able personnel; strived to foster "leading" industries while promoting pillar industries; and established Spark technology-intensive zones, and used scientific management methods to organize the decentralized production and operation of peasants, so that science and technology can enter thousands upon thousands of rural households and be rapidly transformed into concrete productive forces. This is a major pioneering undertaking initiated by the Spark Program during its implementation process, which proves to be a new pattern for introducing science and technology into rural areas and for integrating scientific and technological advances with the rural economy. It is precisely through this new pattern that both the society and peasants can begin to see the importance of science and technology as the primary productive force. The success of the Spark Program has told us that only by making constant explorations, adopting new and workable measures, establishing channels for linking science and technology with the market, selecting and transforming scientific and technological results through market carriers which enjoy a flexible mechanism, and by providing market information and interest incentives for scientific research activities can we effectively gear science and technology to the needs of economic construction, and can we successfully bring the country's economic construction onto the road of relying on scientific and technological advances.

**2. When promoting the application of science and technology in rural areas, we should increase inputs and, more importantly, strive for real results.**

Whether or not we can succeed in invigorating agriculture by applying scientific and technological advances depends, to a considerable extent, on the protection and support of the government. During the implementation process of the Spark Program, the government has used less-than-10-percent guidance funds as an "adhesive," or to say an "ingredient added to enhance the efficacy of a dose of medicine," to attract, transfer, and "glue together" such key elements as funds, able personnel, technologies, and information that was once scattered in the society, thus giving a great stimulus to the application of scientific and technological advances in rural areas. It is true that inputs should be increased in real terms if we wish to promote scientific and technological progress in rural areas, yet a large input by the government is impossible. Can we attain high economic returns with a small government input? The practice of the Spark Program has showed us clearly that it is totally possible for us to attain a high economic return on the basis of a small government input. How to make good use of our limited funds, strive for better economic results, and enhance the standards of the country's different economic sectors as a whole remains a major task which requires conscientious studies and constant explorations.

**3. Sustained economic and social development depends on the improvement of the quality of laborers.** To realize socialist modernizations, it is of decisive significance to base our economic construction on reliance on scientific and technological progress and on the improvement of labor quality. Peasants account for more than 80 percent of China's total population; therefore, the quality of peasants will determine the quality of our nation as a whole. The Spark Program has placed its focus on this key issue, and has taken steps to improve the quality of laborers in accordance with the demands of the economic and social development. Alongside the work of making education universal and the work of spreading scientific and technological knowledge among the people, the program has vigorously promoted on-the-job training; organized short-term training courses of all types and at different levels; tried in every means to improve the quality of peasants by demonstrating and practicing applied techniques; and achieved remarkable results in fostering large numbers of able personnel of all types and at all levels, in bringing up management executives and operation administrators for enterprises of various sectors, and in training up qualified personnel for different localities. Entering schools is one type of study; yet it is another type of study, which is on a more extensive and larger scale, to improve the ideological, moral, scientific, and cultural standards of the entire nation in line with economic and cultural construction, and to satisfy the demands of all aspects of economic



and social development through various forms. During the process of formulating social and economic development plans and carrying out our work on all fronts, so long as we can successfully integrate our work with studies and with the improvement of our nation's quality, we can surely accelerate the process of the country's socialist modernization to a considerable extent.

#### **Integration Key to Rural Economy**

HK0905041595 Beijing RENMIN RIBAO in Chinese  
19 Mar 95 p 3

[By correspondent Mo Xinyuan (5459 2450 0337): "State Economic and Trade Commission Holds Meeting in Weifang City To Exchange Experience in Integrating Industry and Agriculture"]

[FBIS Translated Text] Recently, the State Economic and Trade Commission called a meeting in Weifang City, Shandong, to exchange the experiences of some provinces and districts in integrating trade, industry, and agriculture. Delegates representing eight provinces and districts attended the brainstorming session. Attendees unanimously agreed that vigorously integrating trade, industry, and agriculture is the most effective way to bring about the comprehensive development of the rural economy.

The integration of trade, industry, and agriculture is a result of the effort to adapt to rural reform and economic development. Shandong, Hunan, and other areas have pursued it over the last decade or so. In recent years, with the growth of the rural economy and the conversion of the old system into a new one, the process of trade-industrial-agricultural integration has taken on new characteristics: It is extending from coastal areas to inland and from suburbs and rural areas to remote mountainous areas; single-line and low-level value-added processing is being replaced by diversified products, high-level value-added processing, multi-purpose services, and cross-regional and industrial operations. Some trades have shifted their focus from domestic markets to international markets. Trade-industrial-agricultural integration in Shandong brought over 6 million peasant households together in creating a 5 million mu farm production base. Trade-industrial-agricultural integration in Weifang City created over 50 specialized towns, over 2,000 specialized villages, and over 800,000 specialized households.

Trade-industrial-agricultural integration has acted as a bridge between peasant households and markets. Through voluntary integration and working on the principle of mutual benefit, diffuse peasant productive units are organized to help ease contradictions between small-scale production and large-sized markets, make

selling and purchases easier for peasants, avoid output fluctuations, and increase products' value-added inputs. A survey found that initial grain processing can increase a crop's value by 30 to 50 percent and more than double that of other farm products. The Chifeng Prosperous Group Company of Inner Mongolia was pursuing trade-industrial-agricultural integration in 1994, when it was able to add 10 million yuan to peasants' net income.

Meeting participants proved with abundant facts that the pursuit of trade-industrial-agricultural integration has stimulated the growth of secondary and tertiary industries such as processing industry, circulation, information, and science and technology, absorbed massive surplus labor in rural areas, and charted a road to a bright future for modernizing the land-scarce and overpopulated rural economy.

Yu Xiaosong, State Economic and Trade Commission vice minister, pointed out at the experience-exchange meeting that trade-industrial-agricultural integration must be planned scientifically and with local conditions in mind. In identifying leading forces, we must insist on appointing the strongest enterprise to be the leading force and insist on the principle of supporting the unit which has been designated as the leading force. Yu revealed that the commission will select five to six places to undergo test programs. These standardized test programs will extend further trade-industrial-agricultural integration in yet other places. He stressed that as enterprises in cities currently have enough of the technology, talent, and equipment they need, or even more, it will be useful to divert them to trade-industrial-agricultural integration projects, which need them badly. Economic and trade commissions at all levels must study seriously the possibility of transferring surplus production goods in cities to trade-industrial-agricultural integration projects and work hard to open up rural markets.

#### **Chemical Fertilizer in Short Supply in Yunnan**

HK0905041695 Beijing RENMIN RIBAO in Chinese  
20 Mar 95 p 9

[By Li Yin (2621 6892) from Kunming City, Yunnan Province: "Chemical Fertilizer Is in Short Supply in Yunnan This Spring"]

[FBIS Translated Text] The supply of fertilizer for spring cultivation falls short of demand in many parts of Yunnan Province. It is understood that the province's current stock of chemical fertilizer and the total quantity of chemical fertilizer under provincial control is 1.7 million tons, less than half the annual demand.

The principal reasons for the short supply are: First, the stock, which is small, has been the lowest since the

institution of the monopoly business system for agricultural means of production in 1989. At the end of last year, the stock of chemical fertilizer at agricultural production means supply and marketing cooperatives across the province was 850,000 tons, including 170,000 tons of urea, a drop of 45.2 percent and 55.4 percent respectively over the previous year. Second, there is a short supply of chemical fertilizer, which makes it difficult for the agricultural production means supply and marketing departments to increase effective supplies. The total quantity of four kinds of chemical fertilizer under provincial control, namely, urea, nitramine, teschemacherite [tan an 8955 6941], and common calcium [pu gai 2528 6862], scheduled for Yunnan this year is 1.03 million tons. However, due to the soaring prices of electricity, coal, coke, and other raw materials, which increases production costs, many factories do not want to produce chemical fertilizer under provincial control. Judging by the urea supply and marketing contracts signed between factories and agricultural production means departments last November, of the 300,000 tons of urea under provincial control and another 70,000 tons for provincial reserve, only 260,000 tons have been assured, while arrangements for the other 110,000 tons are still to be made.

As a result of the short supply, the prices of chemical fertilizer stay high. This has brought difficulties to normal purchases and sales. According to a briefing, even in the off-peak season, the factory price of urea under provincial control is 1,150 yuan per ton, reaching the ceiling set by the provincial pricing bureau. However, after many resales, the price of chemical fertilizer which factories are allowed to sell on their own is 1,450 yuan per ton when it goes to provincial agricultural production means companies.

Moreover, due to insufficient transport capability, it is very difficult to transport chemical fertilizer from eastern to western Yunnan.

#### **Grain, Edible Oil Selling Rights To Be Controlled**

*HK0905035895 Hong Kong CHING CHI TAO PAO  
in Chinese 20 Mar 95 No 11, p 29*

[From "Chinese Economic News" column: "The State To Exercise Strict Controls Over Grain and Oil Supply"]

[FBIS Translated Text] According to a state department concerned, in a bid to curb rising prices and to ensure the supply of grain and oil to residents, the state will exercise strict controls over grain and oil selling rights. In the future, 70-80 percent of grain and oil supplies will be controlled by the state grain departments.

Reform of the circulation structure for such commodities as pork, sugar, and vegetables will be focussed on raising the proportion of state-owned circulation enterprises in the sales of nonstaple foods, stabilizing market prices, and raising the rate of state-owned food departments in the sales of live hogs.

#### **\*Sichuan Implements Guaranteed Price for Rapeseeds**

*95CE0357Y Chengdu SICHUAN JINGJI RIBAO  
in Chinese 25 Apr 95 p 3*

[FBIS Summary] Sichuan Province has implemented a guaranteed price of 2.60 yuan per kilogram for rapeseeds. In addition, Sichuan will give a subsidy of 0.08 yuan per kilogram for wheat.

### East Region

#### Fujian Business Group Meets Malaysian Official

OW0805064295 Beijing XINHUA in English  
0621 GMT 8 May 95

[FBIS Transcribed Text] Kuala Lumpur, May 8 (XINHUA) — China may become Malaysia's fourth biggest trading partner by 1997 from current rank of the tenth, Malaysian Health Minister Chua Jui Meng said.

Judged from the current strong uptrend, bilateral trade may reach the stage when Hong Kong is returned to China's rule, he said when meeting a Fujian business delegation here Sunday [7 May].

According to Malaysian statistics, Hong Kong stood as Malaysia's sixth biggest trading partner in 1994.

Chua, former international trade and industry deputy minister, said Sino-Malaysian trade rose 46 percent to 8.63 billion ringgit (about 3.45 billion US dollars) last year, with Malaysian exports jumping 63.6 percent to 5.06 billion ringgit (2.02 billion US dollars).

He said the increase pace was higher than the 29.7 percent recorded in the total Malaysian trade growth, and that China has already surpassed Malaysia's several trading partners such as Australia and France in trade volume with Malaysia.

In 1994, Chua said, Malaysian imports from China was up 26.5 percent to 3.57 billion ringgit (1.43 billion US dollars), with Malaysia enjoying a 5.96 billion US dollar surplus.

The minister said palm oil captured the lion share of Malaysian exports to China with earnings at 0.79 billion US dollars, followed by manufactured goods, machinery and materials.

Meanwhile, foodstuff, manufactured goods and machinery constituted major import items from China.

Malaysia rose to the world's 19th largest trading nation with volume totaling 117 billion US dollars last year.

Its major trading partners were Japan (24 billion US dollars), the United States (23.4 billion US dollars) and Singapore (21.5 billion US dollars).

#### Fujian Holds Meeting To Deliver Economic Report

HK0805123895 Fuzhou Fujian People's Radio  
Network in Mandarin 2300 GMT 29 Apr 95

[FBIS Translated Text] On the morning of 26 April, a meeting was held in Fujian Hall of the Great Hall of the People in Beijing to listen to the report on the economic development plan in southeast Fujian.

The provincial party committee and the provincial government began the activities of delivering the report to Beijing on 24 April.

Before the meeting, Zou Jiahua and Jiang Chunyun, both members of the CPC Central Political Bureau and vice premiers of the State Council, separately listened to the report. Wang Hanbin, alternate member of the CPC Central Political Bureau and vice chairman of the Standing Committee of the National People's Congress [NPC], Wang Zhaoguo, vice chairman of the National Committee of the Chinese People's Political Consultative Conference [CPPCC], and leaders of the CPC Central Committee's General Office, the State Council's General Office, the Office of the Central Financial and Economic Leading Group, the Central Policy Research Office, the State Planning Commission, the State Economic and Trade Commission, the State Science and Technology Commission, the Ministry of Finance, the Ministry of Construction, the Ministry of Electric Power Industry, the Ministry of Machine Building Industry, the Ministry of Electronics Industry, the Ministry of Chemical Industry, the Ministry of Railways, the Ministry of Communications, the Ministry of Water Resources, the Ministry of Agriculture, the Ministry of Foreign Trade and Economic Cooperation, the People's Bank of China, the Construction Bank, the State Council's Office for Special Economic Zones, the National Federation of Light Industry, the National Federation of Textile Industry, the State Council's Taiwan Affairs Office, the State Tourist Administration, the Corporation of Petrochemical Industry, the Building Materials Bureau, and the Corporation of Automobile Industry attended the report meeting.

Governor Chen Mingyi, who is also deputy secretary of the provincial party committee, presided over the meeting. Executive Vice Governor Wang Jianshuang, who is also standing committee member of the provincial party committee, read the report on behalf of the provincial party committee and the provincial government. At the beginning of the meeting, a video about the general conditions of social and economic development in southeast Fujian was shown.

While listening to the report delivered by Chen Mingyi and Wang Jianshuang, Zou Jiahua said: Fujian being an area for accelerating reform and development, should give play to its advantages, do its best to attract direct foreign investment, especially welcome foreign investors to run projects and enterprises independently. Faster development and prosperity on the western side of the Strait is of great significance for promoting the "three direct linkages" between the two sides of the Strait. The projects in your plan for the development in southeast Fujian are all necessary. Specific projects



should be arranged and planned scientifically, and their feasibility and necessity should be seriously studied.

When listening to the report, Jiang Chunyun said: Fujian attached great importance to agriculture, and the 10 measures Fujian adopted recently for increasing grain production and protecting farm land were very good. It is of great importance to guarantee and increase grain production. This is an important task for laying a solid foundation and removing hidden trouble. Fujian does not have much arable land, so it is necessary to increase the multiple cropping index and increase the per-unit-area yield. Food should be diversified, and the input to agriculture should be increased.

At the meeting, Wang Jianshuang gave a detailed explanation of the current economic situation and advantages in southeast Fujian, and gave a report on the economic development plan in this area. He also mentioned issues that require the help and support of the central authorities.

At the meeting, on behalf of the provincial party committee, the provincial government, and Secretary Jia Qingli, Governor Chen Mingyi expressed gratitude to the central leaders and all relevant state departments for their care and support for development in southeast Fujian. He said: The party central leadership and the State Council attach great importance to development in southeast Fujian. In order to better put into practice the spirit of the 14th party congress and the instructions of central leaders, the provincial party committee's standing committee held many meetings and the provincial government also held many executive meetings to consider and arrange economic development in that area. The projects in the economic development plan have a major impact on the province's overall and long-term development. It is hoped that the State Planning Commission and various relevant central departments will give priority to southeast Fujian's development and give support to the development project there; and will continue to give us advice, give us favorable policies, and give us support.

Chen Jinhua, minister in charge of the State Planning Commission, expressed his opinion on the formulation of the regional economic development plan after listening to the report. He said: First, the plan should set forth requirements for the establishment of the socialist market economic mechanism so that greater vigor and dynamism can be brought to economic development. Second, the plan should give prominence to the quality and efficiency of economic operation so that a good economic structure can be built in southeast Fujian. Third, the plan should harmonize and coordinate economic growth and social development in order to

promote comprehensive social progress. Fourth, the plan should give full consideration to the balance of all economic factors and quantities in order to guarantee stable and healthy development of the economy.

Leaders of the State Council's Office for Affairs of the Special Economic Zones, the Ministry of Communications, the Ministry of Electric Power Industry also put forward many proposals for the economic development plan in southeast Fujian.

Leaders of the provincial party committee's general office, the provincial government's general office, more than 20 provincial departments, and five prefectures and cities attended the meeting. In Beijing, they made further reports to the relevant central departments and listened to the opinions of the central departments in order to solicit their support.

On the afternoon of 25 April, old central leaders of Fujian origin, namely, Peng Chong, Ye Fei, Fang Yi, and Yang Chengwu were invited to listen to the report by Chen Mingyi and Wang Jianshuang in Fujian Province's representative office in Beijing. The old leaders hoped that Fujian would grasp the current favorable opportunity, give play to its advantageous relations with overseas Chinese and Taiwan, and do a better job in promoting reform and opening up.

#### **Jiangxi's Wu Guanzheng Inspects Duochang County**

*HK0805124195 Nanchang Jiangxi People's Radio Network in Mandarin 1100 GMT 4 May 95*

[FBIS Translated Excerpt] While inspecting work in Duochang County between 1 and 3 May, Secretary Wu Guanzheng of the provincial party committee stressed that the key to developing county-level economies and increasing the economic strength of counties and townships lies in the proper financial arrangements, and this will quicken the pace of gathering wealth for peasants. [passage omitted]

During his inspection in Duochang County, Wu Guanzheng visited villages which were stricken by natural disasters. There, he inquired about the conditions of the collective economy. During the three days, Wu Guanzheng inspected a number of factories, braving heavy rains. He listened to the work report by the county party committee and the county government. He fully affirmed the work results of Duochang County in the past years, and gave instructions on concentrating on economic construction, guaranteeing the current spring sowing and planting, carrying out activities of emulating Comrade Kong Fansen, consolidating rural grassroots organizations, training and promoting

outstanding young cadres, and persevering in using both hands to grasp the work and keeping both hands tough. Wu Guanzheng also discussed the issue of increasing the county-level economic strength with the county leading body. [passage omitted]

#### **Jiangxi Reports on Economic Growth in 1st Quarter**

HK0905102295 Nanchang Jiangxi People's Radio  
Network in Mandarin 1100 GMT 21 Apr 95

[FBIS Translated Excerpt] Jiangxi's economy maintained a rapid growth in the first quarter of this year, with the gross domestic product of 25.716 billion yuan, an increase of 11.2 percent over the same period of last year as calculated on comparable prices, 4 percent higher than the country's average. In all industries, the secondary industry grew at the fastest rate, up by 22.2 percent over the same period of last year; the primary industry increased by 5.1 percent and the tertiary industry by 10.8. To maintain a rapid growth in Guangxi's economy, the provincial party committee and government took serious account of consolidating and developing the position of agriculture as the foundation of the national economy, put agriculture in first place of all work, increased the investment in agriculture, improved agricultural production conditions, and implemented the agricultural policy, thus bringing the peasants' production initiative into better play. In addition, all localities in the province paid close attention to county-level economic development. [passage omitted] In the first quarter of this year, the province's total meat output amounted to 517,800 metric tons, an increase of 19 percent over the same period of last year; total poultry production amounted to 6.64 metric tons, an increase of 24.1 percent over the same period of last year. In the course of improving agriculture, Jiangxi also paid attention to industrial development. In the first quarter of this year, Jiangxi's industrial production continued to grow rapidly on the basis of last year's rate. The gross industrial output value at the township level and above amounted to 24.968 billion yuan, an increase of 20.2 percent over the same period of last year; a noteworthy increase was registered in budgetary industrial output value and income from sales; the number of loss-incurring enterprises reduced as compared with the same period of last year; investment in fixed assets amounted to 1.72 billion yuan, an increase of 37.84 percent over the same period of last year.

Jiangxi also brought tertiary industrial development into prominence. Because the people's cash income increased and market supply was adequate, consumer goods markets throughout the province continued to show signs of prosperity. In the first quarter of this

year, the retail sales volume in consumer goods markets throughout the province amounted to 9.016 billion yuan, an increase of 31 percent over the same period of last year. Due to the development of basic facilities, transportation, postal and telecommunications business, financial business, insurance business, steel industry, and other service undertakings registered a growth rate of more than 10 percent each.

#### **Shandong's Private Economy 'Booming'**

OW0805042695 Beijing XINHUA in English  
0208 GMT 8 May 95

[FBIS Transcribed Text] Jinan, May 8 (XINHUA) — The private economy in east China's Shandong Province is booming, with the number of enterprises and employees both ranking first in the country.

According to statistics provided by the provincial industrial and commercial administration department, the province has two million self-employed households with a total of some 4.13 million employees, ranking first in the country, and 34,000 private businesses with more than 500,000 employees, ranking third in the country.

With a total registered capital of 15.8 billion yuan, these households and businesses have a total of 4.64 million employees.

A provincial official said that the number of enterprises involved in farming, forestry, animal husbandry and fisheries is increasing, indicating that the private economy is even penetrating the agriculture sector.

The rise of the private economy has helped boost market activities.

According to statistics, Shandong's private economy generated a gross output value totalling 19 billion yuan. It delivered 2.7 billion yuan in taxes to the state last year, up 42 percent over the previous year.

At present, about 200 private businesses are empowered to export their products by themselves. So far this year 190 have formed cooperative ties with foreign enterprises, an increase of 41 percent over last year.

Last year saw Shandong's 1.7 million private private firms sell 41.7 billion yuan-worth of commodities, accounting for 37 percent of the total.

#### **Hi-Tech Industry 'Backbone' of Shandong's Economy**

OW0605064895 Beijing XINHUA in English  
0623 GMT 6 May 95

[FBIS Transcribed Text] Jinan, May 6 (XINHUA) — The hi-tech industry in east China's Shandong Province

has become the backbone of the local economy after several years of development.

The five development zones for hi-tech industry at the state level and four ones at the provincial level built in Shandong are now all very successful.

The construction of infrastructures in the zones has been given priority. Some 2,300 projects, including more than 670 hi-tech projects, have been introduced into the nine development zones.

In 1994, the business volume of the nine zones reached 12.3 billion yuan, an increase of 54 percent over the previous year.

The hi-tech development zones absorb funding through various channels. Statistics show that last year, some 1.2 billion yuan in domestic funds and 350 million US dollars in foreign funds were used in the zones.

### Central-South Region

#### Guangxi's Zhao Fulin Inspects Localities

*HK0805124095 Nanning Guangxi People's Radio Network in Mandarin 1130 GMT 29 Apr 95*

[FBIS Translated Excerpt] Between 23 and 25 April, Secretary Zhao Fulin of the regional party committee inspected Mashan County and Shanglin County in the company of Pan Qi, standing committee member of the regional party committee and secretary of the Nanning prefectural party committee, and Chen Hongping, magistrate of the prefectural government, in order to find out the actual conditions of the localities. Secretary Zhao went to village offices and held talks with village cadres; he also visited fields and orchards to see the conditions of spring sowing and planting. He also asked villagers details about their living and working conditions. His activities were praised by local cadres and the masses.

After listening to the work reports by the secretaries of the county party committees of Mashan and Shanglin, Secretary Zhao Fulin said that both counties have many favorable conditions for quickening the pace of shaking off poverty. He stressed the need to attach importance to agriculture in order to make comprehensive economic development. Grain production should be coordinated with the development of other farm production items. Low-yield fields should be transformed and improved. Farm land should be improved, and more irrigation works should be built in order to raise the per-unit-area yield and guarantee the stable increase in grain output. [passage omitted]

#### Guangxi Honors Tianyang People's Armament Office

*HK0805141995 Nanning Guangxi People's Radio Network in Mandarin 1130 GMT 21 Apr 95*

[FBIS Translated Text] On the morning of 21 April, the regional party committee, the regional people's government, and the Guangxi Military District held a meeting in Nanning to confer a title of honor on the Tianyang County People's Armament Department for its exemplary role in helping the poor. Regional party, government, and military leading comrades including Zhao Fulin, Cheng Kejie, Yang Jichang, Gong Pingqiu, Hu Jun, Ouyang Yansheng, Mao Guobin, Zhou Kunguang, Ma Yangang, and Liu Renxue attended the meeting. Mao Guobin presided over the meeting. At the meeting Cheng Kejie, chairman of the regional government and people's armament committee, read the decision of the regional people's government and the Guangxi Military District on conferring a title of honor on the Tianyang County People's Armament Department. Zhao Fulin, secretary of the regional party committee and first political commissar of the Guangxi Military District, made an important speech. Ma Xini, deputy director of the Guangzhou Military Region's Mobilization Department, read a congratulatory message the Guangzhou Military Region sent to the meeting.

When reading the decision, Cheng Kejie pointed out: Since 1989, the Tianyang County People's Armament Department has actively guided the militia forces at the county-, township-, and village-level in building up themselves through hard work and helping the poor, and they have made noteworthy achievements in this respect. The regional people's government and the Guangxi Military District called on the people's armament departments throughout the region to extensively conduct an activity of learning from the Tianyang County People's Armament Department.

In his speech, Zhao Fulin pointed out: We must combine the activity of learning from the Tianyang County People's Armament with the activity of learning from Li Zhenghai and Huang Shiyong, to form a good atmosphere of being devoted, scaling new heights, loving the country, serving the people, and performing one's duties in a down-to-earth manner. We must combine the activity of learning from the Tianyang County People's Armament with strengthening party organizations. We must combine this activity with the education on national defense, to bring about simultaneous development in Guangxi's economy and national defense reserve forces. We must work hard for the fulfillment of the grand target at the end of this century.



Gong Pingqiu, political commissar of the Guangxi Military District, set requirements for conducting the activity of learning from the Tianyang County People's Armament Department.

**Encyclopedia on Development of Guangxi Published**  
*OW0905080795 Beijing XINHUA in English*  
0742 GMT 9 May 95

[FBIS Transcribed Text] Nanning, May 9 (XINHUA) — An encyclopedia on the all-round development of the Guangxi Zhuang Autonomous Region in southwest China has been published in this regional capital.

This is the first encyclopedia ever published in China on the development of an autonomous region inhabited mainly by people of ethnic minorities.

The book has 5,330 entries and 700 pictures, covering the region's historical, cultural and economic development over the past 2,000 years. About 1,000 specialists spent more than three years to compile the book.

A Chinese scholar described the encyclopedia as the "most authoritative dictionary" and a "data bank" on Guangxi.

**Philippine Ambassador to China Visits Hainan**  
*HK0905092295 Haikou Hainan People's Radio*  
Network in Mandarin 2300 GMT 4 May 95

[FBIS Translated Text] In Jinhaian Hotel yesterday afternoon, governor Ruan Chongwu met Romualdo Ong, Philippine ambassador to China, and welcomed him to Hainan. Ruan Chongwu briefed him on Hainan's opening up and economic development and hoped that his visit would promote both sides' economic cooperation and development. During his visit to Hainan, Ambassador Romualdo Ong inquired about Hainan's opening up and economic construction. He visited some enterprises and schools in Sanya and Haikou. Leaders of the relevant provincial departments were present at the meeting.

**Hainan's Ruan Chongwu Meets Taiwanese Visitor**  
*HK0805144495 Haikou Hainan People's Radio*  
Network in Mandarin 2300 GMT 24 Apr 95

[FBIS Translated Text] On the afternoon of 24 April, Governor Ruan Chongwu, who is also secretary of the provincial party committee, met with Mr. Chang Ping-chao, a Taiwan celebrity who is chairman of the Cross-Strait Business Development Foundation, and his entourage in the meeting room of the provincial party committee.

At the meeting, Ruan Chongwu exchanged opinions with the Taiwanese guests on the Yalong Bay Development

Project and the issue of agricultural cooperation between Hainan and Taiwan. Ruan Chongwu said: There are broad prospects of economic cooperation between the islands of Hainan and Taiwan. In particular, there is great potential in agricultural cooperation. It is hoped that more farmers and technicians in Taiwan will participate in Hainan's development.

**Hainan Secretary Meets Former NPC Vice Chairman**

*HK0805070595 Haikou Hainan People's Radio*  
Network in Mandarin 2300 GMT 8 Apr 95

[FBIS Translated Text] On the morning of 8 April, Ruan Chongwu, provincial party secretary and governor, went to Qiongyuan Guest House in Haikou to pay a visit to Liao Hansheng, former vice chairman of the National People's Congress [NPC] Standing Committee; Hua Nan, former deputy director of the General Political Department of the People's Liberation Army; and Liu Zhenhua, former political commissar of the Beijing Military Region and vice chairman of the Overseas Chinese Affairs Committee under the NPC. They are now inspecting work in our province.

Liao Hansheng, Hua Nan, and Liu Zhenhua are very concerned with construction and development in Hainan. During their stay in our province, they have gone deep into various localities to carry out inspection work. Ruan Chongwu briefed them on the situation of reform and opening up in Hainan.

**Hainan Governor Meets Telecommunications Minister**

*HK0805061795 Haikou Hainan People's Radio*  
Network in Mandarin 2300 GMT 7 Apr 95

[FBIS Translated Text] On the afternoon of 3 April, Ruan Chongwu, provincial party secretary and governor, and Chen Yuyi, provincial party deputy secretary, met with Wu Jichuan, minister of Posts and Telecommunications, who came to Hainan to attend a national conference on postal and telecommunications work and Vice Minister Yang Xianzu. They talked about the development of posts and telecommunications in Hainan. Ruan Chongwu highly praised the large-scale construction and development promoted by postal and telecommunications departments in recent years, and their contributions to improving telecommunications environment in the Special Economic Zone [SEZ].

He said: The development of the telecommunications undertaking in the Hainan SEZ must be accelerated, and the postal and telecommunications departments are shouldering a strenuous and heavy task. In the future, various information resources in Hainan primarily rely

on and come from the main postal and telecommunications channels. Therefore, we should step up our efforts to build properly our round-the-island optical fiber network, packet switching network, and DDN network. He hoped that the Ministry of Posts and Telecommunications would continue to vigorously support Hainan.

Wu Jichaun thanked the Hainan CPC Committee and government for their support to the postal and telecommunications undertaking. He stated: To expand the capacity of information channels in Hainan, during the ninth five-year plan period, the Ministry of Posts and Telecommunications plans to build a submarine optical cable from Beihai to Sanya, so that Hainan will have an additional major access outside the island.

Those who were present at the meeting included: Zeng Haorong, Haikou City mayor; Wang Tan, member of the Haikou City CPC Committee Standing Committee and vice city mayor; Xu Shanyan, director of the General Office of the Ministry of Posts and Telecommunications, and Sun Pu, director of the provincial Postal and Telecommunications Administrative Bureau.

#### **Hainan's Ruan Chongwu Inspects Localities**

*HK0905092395 Haikou Hainan People's Radio Network in Mandarin 2300 GMT 27 Apr 95*

[FBIS Translated Text] On 27 April, Ruan Chongwu, secretary of the provincial party committee and Hainan governor, inspected industrial production in Qionghai and Wanning County. While there, he inquired about the conditions of enterprises in construction, production, product marketing, importing facilities, and investment arrangements; and discussed with enterprise leaders and technical cadres ways to solve various problems existing in the enterprises. He also asked about workers' welfare benefits, and the living and working conditions of their family members.

#### **Hainan Procuratorate Work Report**

*HK0905060895 Haikou HAINAN RIBAO in Chinese 18 Mar 95 p 4*

[Hainan Provincial People's Procuratorate work report (excerpt) delivered by Qin Xingmin, chief procurator of the Hainan Provincial People's Procuratorate, before the Third Session of the First Provincial People's Congress on 23 February 1995: "Work Report of the Hainan Provincial People's Procuratorate"]

[FBIS Translated Text] Fellow Deputies: In 1994, under the leadership of the provincial party committee and the higher procuratorate [gao jian yuan 7559 2914 7108], under the strong supervision of all-level people's congresses and their standing committees, and with the support of all-level governments, procuratorial organs

in our province assumed responsibility for the overall situation according to the working principle of "strictly enforcing the law and paying close attention to handling cases," devoted their energies to investigating and handling large and important cases of embezzlement and bribery, dealt a severe and quick blow to serious criminal cases according to the law, and have stronger supervision over law enforcement and strengthened the building of the contingent, thus making new progress and achieving remarkable results in all types of procuratorial work. The current state of the key work is reported as follows:

#### **1. New results were achieved in the work of investigating and handling large and important cases in the anti-corruption struggle**

From January to December 1994, procuratorial organs throughout the province received a total of 743 economic criminal cases of embezzlement and bribery, up 41.1 percent over the previous year; placed on file 240 cases and 297 persons for investigation and prosecution, up 35 percent and 32 percent respectively; and placed on file for investigation and prosecution 66 criminal cases of "rights-infringement" and dereliction of duty, such as playing favoritism and committing irregularities and perverting justice for bribes, with 102 persons involved in these cases, up 61 percent and 76 percent respectively. While handling cases investigated, decisions were made to arrest 262 persons, an increase of 120 percent. Proceedings against 207 persons involved in 141 cases have been filed with people's courts, both up 31 percent. Based on cases in which investigation was completed, a total of 24.76 million yuan of direct economic losses were retrieved for the state and collectives.

—Great strides were made in investigating and handling criminal cases of embezzlement and bribery committed by the functionaries of "three types of organs and one type of departments." Last year, a total of 59 criminal cases of embezzlement and bribery happened in leading party and government organs, administrative and law-enforcement organs, judicial organs, and departments of economic administration (financial departments not included) and 77 persons involved in these cases were placed on file for investigation and prosecution, accounting for 25 percent of the total number of cases placed on file. Among the cases, 34 occurred in leading party and government organs, in which 47 persons were involved; 10 occurred in judicial organs, in which 14 persons were involved; and 12 occurred in administrative and legal-enforcement departments in charge of the administration of industry and commerce, taxation, and the customs, in which 13 persons were involved.

**—Great strides were made in investigating and handling large and important cases and cases of bribery.** Among the cases placed on file for investigation and prosecution last year, 187 were large cases each involving over 10,000 yuan, accounting for 77.1 percent of the total number of cases placed on file and up 39.5 percent over the previous year. Among them, 80 were cases each involving a sum ranging from 10,000 yuan to less than 50,000 yuan; 27 were cases each involving a sum ranging from 50,000 yuan to less than 100,000 yuan; 51 were cases each involving a sum ranging from 100,000 yuan to less than 500,000 yuan; seven were cases each involving a sum ranging from 500,000 yuan to less than 1 million yuan; and 22 were cases each involving a sum of over 1 million yuan; and 11 cadres at and above the county and the department levels were involved in important criminal cases. In addition, a total of 60 cases of bribery and 70 persons involved in them were placed on file for investigation and prosecution last year, up 250 percent and 230 percent over the previous year respectively.

**—Great strides were made in investigating and handling criminal cases of embezzlement and bribery occurring in those "hot spots."** Last year, by integrating closely with the actual conditions of Hainan and having a good grasp of the "hot" issues which have had strong repercussions among the masses, we paid attention to dealing with criminal cases of embezzlement and bribery related to the real estate market, the stock market, the futures market, and the financial sector. According to the statistics, last year, a total of 63 cases related to the real estate market, the stock market, and the futures market were placed on file for investigation and prosecution, accounting for 27 percent of the total number of cases placed on file; 39 cases placed on file for investigation and prosecution happened within the financial sector; and the two types of cases accounted for 42 percent of the total number of cases placed on file for investigation and prosecution.

**—Great strides were made in investigating and handling criminal cases of judicial officials' embezzlement and bribery, "rights-infringement," dereliction of duty, and, in particular, their playing favorites and committing irregularities.** Last year, 46 judicial officials whose acts constituted crimes were investigated and handled, an increase of 450 percent over the previous year. In particular, nine criminal cases of judicial officials' playing favoritism and committing irregularities and 12 such persons were placed on file for investigation and prosecution, which was greater than the sum total of similar cases placed on file for investigation and prosecution since the province's founding. This was an outstanding manifestation of the in-depth development

of the participation of our province's procuratorial organs in the anticorruption struggle last year.

Looking back to the work of investigating and handling crimes of embezzlement and bribery and of playing favorites and committing irregularities, we primarily paid attention to the following types of work:

1) Repeatedly dealing with the question of understanding and attaching importance to settling the problem of the leading cadres' spiritual conditions in courageously investigating and handling large and important cases.

2) Focusing our work on handling cases and fighting a three-dimensional war by targeting key sectors, departments, and cases. During New Year's Day, the Spring Festival, and the Qingming Festival, provincewide unified operations were organized to pursue economic criminals at large and remarkable results were achieved, in which 23 fugitives were captured. The Sanya City Procuratorate launched three special struggles in the financial sector, the real estate market, and the department responsible for extending housing allowances to minority nationality citizens. As a result, 14 economic criminal cases of embezzlement and bribery were solved, and 28 persons involved in these cases were arrested at one stroke, accounting for 58.3 percent of the total number of cases placed on file by the procuratorate, and over 3 million yuan of illicit money was retrieved.

3) Paying close attention to tip-offs and broadening sources providing clues for solving cases. We must conscientiously receive letters sent by the masses and calls made by them and continue upholding the chief procurators' reception day and the system of 12 hours on duty for receiving public tip-offs. Last year, a total of 1,417 clues informed against economic crimes were accepted and heard, up 50.4 percent over the previous year. Among the cases handled last year, over 80 percent came from tip-offs made by the masses and units, and many large and important cases were solved by following the clues in the tip-offs.

4) Resolute measures were taken to focus our attention on solving long-pending cases.

5) Doing well the work of preventing corruption by integrating offensive with defensive measures and by dealing with both its root cause and symptoms. The provincial procuratorate, its branch, the Haikou City Procuratorate, and the Sanya City Procuratorate have set up agencies to prevent crimes of embezzlement and bribery. The agencies have established links with 28 organs and enterprises to make joint efforts to build up a clean government or a legal system. They have put forward 10 written procuratorial proposals and over 50 verbal suggestions, have organized 22 lectures on law



which drew attendances of 1,700, and have given legal advice to over 150 persons.

6) Efforts were made to strive for the leadership of party committees, the supervision of people's congresses, and the support and cooperation of departments concerned, so as to form a joint force for breaking through large and important cases.

## **2. The work of sternly cracking serious crimes was further intensified**

Last year, a total of 3,738 criminals transferred from public security organs for ratifying their arrests were received and handled, and the arrests of 3,236 were ratified after investigation; 3,178 criminals transferred from public security organs for prosecution, and 98 others freed from prosecution were received and handled. After investigation, 2,673 were sued in courts and 119 others were freed from prosecution.

In the special provincewide struggle against armed crimes launched from last April to October, procuratorial organs throughout the province cooperated closely and fought in unison with public security organs and courts, thus giving full play to their procuratorial functions. As far as the procuratorial link was concerned, the principle of "being firm and swift" was implemented so that criminals were arrested and prosecuted as quickly as possible without bungling any chance for combat. The arrests of 1,443 criminals were ratified and efforts were made to intervene in 209 serious and extraordinarily large cases earlier. Regarding the case of a criminal gang led by Wang Yinghan in Chengmai County, as the gang had committed crimes for a long time, in which a large number of criminals were involved, the case was a very complicated one, so the Chengmai County Procuratorate intervened in the case earlier and firmly and swiftly approved the arrests of 21 criminals according to law, and the Hainan procuratorial branch also intervened earlier. After the case had been formally accepted and heard, they put in extra hours to interrogate 10 defendants, and it merely took 10 days before the case was referred to the court for prosecution, and Wang Yinghan and five others were executed. In the special struggle, 48 chief and deputy chief procurators of procuratorial organs throughout the province were also assigned the task of leading 520 policemen to throw themselves, in cooperation with public security organs, into the concerted operations of capturing illegal firearms and ammunition and pursuing criminals at large.

## **3. New progress was made in law enforcement and supervision**

—Vigorously supervising investigations and trials. Last year, a total of 52 criminals were arrested retroactively,

the arrests of 80 persons were not approved, decisions were made to sue seven criminals retroactively and to withdraw the prosecutions against 22 persons, 738 criminals' cases were turned back for additional investigation, and suggestions were made to redress unlawful practices committed during the investigations on 13 cases. For verdicts on criminal cases which were really incorrect, objections were lodged for 24 cases according to the procedure of appeal and for three cases according to the procedure of judicial review.

—**Procurators responsible for civil trial and administrative litigation focused their attention on accomplishing the work of lodging appeal cases.** In the past year, 62 civil and administrative appeal cases were accepted and heard, 30 cases were placed on file for investigation, objections to 10 civil and administrative cases clearly adjudicated in an unfair way were lodged with courts (two verdicts have been revised), objections to the verdicts of four such cases were lodged with the Supreme People's Procuratorate, and procuratorial recommendations were given to the courts.

—**Procurators working for prisons paid close attention to problems of extorting and taking bribes which arose by taking advantage of handling the work of sentence commutation, parole, and medical parole.** Last year, eight cadres involved in seven criminal cases of embezzlement, bribe-taking, illegal release of prisoners, and dereliction of duty, were placed on file for investigation and subjected to discipline. Efforts were made to deal a severe blow to criminal activities committed by persons on probation and a total of 70 persons involved in 56 such cases were received and handled. Among them, 41 involved in 34 such cases were prosecuted. Suggestions to redress unlawful probational and correctional practices were made for 748 cases, among which 433 have been set right; and 95 unsafe hidden dangers were discovered, and 85 of which have been solved by supervisory departments concerned upon recommendation.

—**Procurators responsible for prosecution and appeal focused their attention on the work of reviewing cases lodged for appeal due to refusals of accepting court verdicts and procuratorial organs' decisions on freeing some people from prosecution.** Last year, a total of 363 cases of criminal appeal cases were accepted and heard; 11 criminal cases lodged for appeal due to refusals of being arrested, of freeing some people from prosecution, and of not suing some people were placed on file for review, and the handling of 10 cases have been completed, the decisions on five of them were overturned, while those on the other five still stood. The three persons unlawfully detained by public security organs were released through coordination.

#### 4. New improvements were made concerning the overall quality of the contingent

Last year, in accordance with the guiding ideology of doing the work on the one hand while stressing the contingent's building, we further strengthened the contingent's ideological education and training as well as the work of organizational building, so that new improvements were made concerning the overall quality of the contingent. Procuratorial organs throughout the province studied the third volume of the Selected Works of Deng Xiaoping and the guidelines laid by the third and the fourth plenary sessions of the 14th Central Party Committee, studied the principles and policies of the Central Party Committee on reform and opening up, armed our minds with the theory of building socialism with Chinese characteristics, and had a stronger awareness of serving economic construction.

In accordance with the decision of the second provincial procuratorial work meeting, large-scale operations calling for strict, honest, civilized, and open-minded law enforcement were launched, thus giving policemen stronger awareness of "strict law enforcement and firm handling of cases" and improving the standard of law enforcement in the new period.

In 1994, a total of 107 collectives and 528 individuals of provincewide procuratorial organs won all kinds of commendations and awards, among which 17 units and 58 individuals were awarded citations for merit and 38 units and 183 individuals were commended by party and government organs at all levels.

According to the planning of the provincial party committee and the higher procuratorate [gao jian yuan 7559 2914 7108], the key tasks of procuratorial work in our province in 1995 are as follows: By taking Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics as the guide; by profoundly following the spirit of the 14th Party Congress, of the third and the fourth plenary sessions of the 14th Central Party Committee, of the third plenary session of the Second Provincial Party Committee, and of the current provincial people's congress session; by upholding the guiding ideology of serving reform and opening up and economic construction; and by adhering to the working principle of "strict law enforcement and firm handling of cases," we must focus our attention on investigating and handling well such large and important cases as embezzlement and bribery, must take stern and swift measures against serious criminal activities according to law, must further strengthen supervision over law enforcement, must pay attention to party building so as to give an impetus to the contingent's building, must give full play to the procuratorial functions, must

safeguard the unified and correct implementation of laws, must vindicate the authority of the Central Party Committee, must preserve social stability, must promote the building of party conduct and a clean government and the building of a democratic legal system, and must guarantee the establishment and development of a socialist market economic system in the large special economic zone of Hainan.

#### Henan Governor on Economic, Propaganda Work

HK0905101295 Zhengzhou Henan People's Radio  
Network in Mandarin 2300 GMT 20 Apr 95

[FBIS Translated Text] On 19 April, Deputy Provincial Party Secretary and Governor Ma Zhongchen stressed at the provincial seminar on journalistic work: Both economic construction and propaganda work must proceed from the overall situation of reform, development, and stability, analyze the situation in a practical and realistic manner, and place the starting point and the stand of our work on improving the material and cultural living standard of the masses, so as to promote the sustained, rapid, and healthy development of our provincial national economy.

Ma Zhongchen reported, first of all, on the situation of economic operation in the first quarter of this year to chief editors of party papers and heads of radio and television stations coming from cities and prefectures all over the province; deputy heads of all the city and prefecture radio and television bureaus who are in charge of propaganda work; and leaders and relevant leading comrades of press units directly under the provincial authorities. He pointed out: The fundamental state of the economic operation in the first quarter was, overall, good, but those outstanding problems and conflicts that exist in the economy should not be neglected.

Ma Zhongchen delivered an important speech on several issues to which we should pay attention in current economic construction and propaganda work. First, it is necessary to promote the sustained, rapid, and healthy development of the provincial national economy by proceeding from the overall situation of reform, development, and stability. To analyze the economic situation and carry out the economic work, we must take the characters of "sustained, rapid, and healthy" development as our criterion; have a good grasp of the momentum by handling well the relationships between "reform, development, and stability;" and integrate the central spirit with the actual conditions of our province. To have sustained development, we must not look at each quarter separately but rather study it by linking up the work of last year with that of the period to come and set a feasible target. To have rapid

development, we must make a concrete analysis of the actual conditions of various localities, and never should we resort to rigid uniformity. The key to setting the same target of development lies in proceeding from actual conditions and giving specific guidance. To have healthy development, we must not unrealistically compare our development with others and strive for the so-called official achievements without making an analysis of our own economic base, productivity level, and newly added productivity. We must analyze and consider problems and lay down and implement policies in a practical and realistic manner.

Second, it is necessary to handle properly the problem of rural productivity and production relations. There is limited space but a large population in our province, with a large number of poor people, and few villages have reached the level of a relatively well-off living standard. This year, as many as 23 million people may be hit by natural calamities. To ensure that no major problem will arise, the money, food, and medical service of extremely poor households must be guaranteed. We must pay close attention to grain production; ensure the supply of staple food, army provisions, residents' grain rations, and provisions for disaster relief; and ensure the supply of essential industrial provisions. Owing to the improvement in the people's living standard and changes in the food structure, there is greater consumption of meat, egg, milk, white wine, and beer and more grain has been used, so agricultural production must be, in any case, strengthened. We must master well the issue of adapting production relations to productivity, such as the question of economies of scale, the question of the building of relatively well-off villages, and the question of implementing a "system of dual farmland." We must take effective measures according to local conditions and respect the wishes of the masses, things will go wrong if we resort to formalistic uniformity. Peasants' enthusiasm will be dampened and the relations between the party and the masses and between cadres and the masses will be affected or broken if the adjustment of production relations is not commensurate with or may even do damage to productivity.

Third, it is necessary to make full arrangements for state-owned enterprises while focusing on key points. The state of state-owned enterprises in our province can be described as "small at both ends but big in the middle." At one end, 100 enterprises have been set up for the experiment of a modern enterprise system; at the other, there are more than 400 enterprises running in the red; and 20,000 enterprises are in the middle. Vigorous explorations must be made for setting up experimental units for the modern enterprise system,

whereas enterprises running in the red must strive to turn deficits into profits and to remain stable. We must place the focus of our work and propaganda on the 20,000 or so enterprises in the middle and keep "transforming the mechanism, paying attention to administration, building up their inner strength, and improving their benefit." They must be given a free hand as long as what they are doing "is conducive to improving the comprehensive economic strength, to enhancing enterprise benefit, and to increasing workers' income."

Fourth, it is necessary to bring the extent of price rise under control and firmly tackle inflation. Curbing inflation has become the key to properly handling the relationships between reform, development, and stability and it is a fairly arduous task. No new measures for price regulation will be introduced in the first half of this year. We must never initiate any "leading-cadre project" by defaulting pay or raising funds illegally. Engaging in inefficient "image building" by raising funds through the masses or misappropriating pay is serious formalism.

Fifth, it is necessary to fix our leading industry and open up ourselves wider to the outside world. Foreign investment must be brought in in line with our industrial policy and in light of the market needs at home and abroad, and we should act as long as it generates benefit. It is a waste of money and manpower if we are engaged in some low-level repetitive construction and do not have any leading industry. We must watch out for the harmful trend of daring to borrow any foreign debts irrespective of the industrial policy. Entrepreneurs should bear responsibility for the state and their enterprises, and they must have a sense of paying debts.

Sixth, as far as the taxation work is concerned, we must pay attention to grasping a balance and striving for moderate operation. We must try every possible means to develop sources of taxation, pay close attention to taxation, and strengthen tax collection and administration; but we must also protect the sources of taxation and have a sense of protecting taxpayers.

Seventh, it is necessary to build up a long-term idea of economic construction and get rid of any short-sighted moves in economic construction. To examine a unit or a cadre, we must not look at a short while or a single event but we should rather grasp it in an all-round, historical, and objective manner. We must not be engaged in formality or ostentation just for the sake of scoring the so-called official achievements. Our cadres should learn a new way of settling all the conflicts in economic operation and try to work according to economic laws.



Eighth, it is necessary to focus our work on improving the people's material and cultural living standard. We must have a stronger sense of serving the people, be concerned about the well-being of the masses, and do more practical things for the masses. We should make our work more solid and fight against bureaucracy, formalism, and trickery.

#### **Hunan Holds Meeting on Using Foreign Funds**

HK0805134195 *Changsha Hunan People's Radio Network in Mandarin 2300 GMT 28 Apr 95*

[FBIS Translated Text] On 28 April, the provincial work meeting on using foreign funds required that leaders at all levels unify their understanding, and make greater effort to raise the work of using foreign funds in the province to a new level and thus promote economic development. Substantial results were achieved in using foreign funds after the Third Plenary Session of the 11th CPC Central Committee. By the end of last year, this province had approved 4,130 foreign-funded projects and had actually used \$2.4 billion of foreign funds. Foreign-funded enterprises have now become an important economic force and a major economic growth point in this province. However, the general scale of using foreign funds remains modest, and there are not many large and weighty projects. So it is necessary to increase efforts in this regard. The meeting required that a new breakthrough be made in the gross amount of foreign funds being used and also in the use of foreign funds in key projects and in key enterprises. Governor Yang Zhengwu gave the main speech at the meeting. Secretary Wang Maolin also gave an important speech. Other provincial party and government leaders Chu Bo, Liu Zheng, Wang Keying, Tang Zhixiang, and Zhang Mingtai attended the meeting.

#### **Hunan Holds Meeting on Reform, Opening Up**

HK0905102095 *Changsha Hunan People's Radio Network in Mandarin 2300 GMT 24 Apr 95*

[FBIS Translated Text] On 23 April, the provincial party committee and the provincial government held an on-the-spot work meeting in Yueyang. Secretary Wang Maolin of the provincial party committee, Deputy Secretary and Governor Yang Zhengwu, and Deputy Secretary Chu Bo attended the meeting. Leaders of 37 provincial departments and leaders of the city party committee and the city government of Yueyang attended the meeting.

The meeting mainly considered and worked out measures for intensifying reform and opening in Yueyang City in order to promote work in the whole province.

At the meeting, Secretary Wang Maolin pointed out: The meeting is aimed at reaching a consensus of opinion among all of us in order to accelerate Yueyang's construction and to promote the work in the whole province. The piers, holiday resorts, and other infrastructural facilities in Yueyang should be built well, and the north door of the province should be really opened up.

Comrade Yang Zhenwu pointed out: The provincial party committee and the provincial government held an on-the-spot work meeting in Yueyang in order to accelerate construction and economic development in Yueyang, and this represents a major step for building up the economic development belt. He stressed: All provincial departments concerned should unify their understanding, jointly create the dynamism of opening, and concentrate forces to guarantee key projects. The investment environment should be further improved, and the pace of inviting external investment should be quickened.

At the on-the-spot work meeting, Chu Bo and Wang Keying also gave important speeches. The meeting fully affirmed the work of the Yueyang city party committee and the city government, and gave replies to all the 18 questions they raised.

#### **Hunan Holds Meeting on Family Planning Work**

HK0805123795 *Changsha Hunan People's Radio Network in Mandarin 2300 GMT 28 Apr 95*

[FBIS Translated Text] A provincial telephone and television conference on the work of promoting family planning was held on the evening of 28 April. Provincial party and government leaders Yang Zhengwu, Wang Keying, Liu Yue, Pan Guiyu, and Shi Yuzhen attended the meeting. Yang Zhengwu and Pan Guiyu gave important speeches at the meeting. They pointed out: The work of promoting family planning in this province did not achieve as good results this year as last year. The situation of population and birth control has become very severe. Party and government leaders at all levels must pay serious attention to this problem, and adopt resolute measures to change the situation as soon as possible. In the first quarter of this year, the provincial family planning commission conducted a sample survey in 32 villages, and found that the birth rate reached 0.21 percent and the rate of family planning was 84.38 percent, 7.1 percentage points lower than that in the same period of last year. The rate of couples giving birth to more than one child reached 3.13 percent, 0.72 percent point higher than that in the same period of last year. Vice Governor Pan Guiyu made concrete arrangements for the work of promoting family planning, and pointed out: The activities of promoting family planning this summer should be started in May.

Governor Yang Zhengwu required principal party and government leaders in all localities to personally attend to the work of promoting family planning and always attach importance to this work.

### Southwest Region

#### Guizhou Reports Large Gold Reserves

HK0805142095 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 0716 GMT 22 Mar 95

[FBIS Translated Text] Guiyang, 22 Mar (ZHONGGUO TONGXUN SHE)— Qinxinan Bouyei and Miao Nationalities Autonomous Prefecture produced over 30,000 tael of gold last year, more than 100 percent over that of the previous year. Gold production has become a mainstay industry of the autonomous prefecture.

There was an old saying that "every person in Guizhou did not have three fen of silver," but the gold reserves in Qinxinan are extremely rich. In 1987, the autonomous prefecture produced gold on a trial basis, and from 1990 on, it produced as much as 10,000 tael of gold every year. Last year, the output reached about 31,000 tael and seven counties and cities produced over 1,000 tael of gold each, among which Zhenfeng County, with its annual output of 10,000 tael of gold, leaped to the rank of golden counties.

At present, the initial-stage preparations of the second-phase project of the Getang Gold Mine in the autonomous prefecture have been basically completed. The Lannigou Gold Mine has been fixed as a key state project to be developed by foreign investment, and the state intends to build it into an extraordinarily large mini-grain [wei xi li 1792 4798 4721] gold mine.

#### Guizhou Holds Meeting To Commend Model Workers

HK0805144595 Guiyang Guizhou People's Radio Network in Mandarin 2300 GMT 28 Apr 95

[FBIS Translated Excerpt] On 28 April, the provincial party committee and the provincial government held a rally to commend model and advanced workers. Provincial party and government leaders Liu Fangren, Chen Shineng, Wang Siqi, and Wang Guangxian attended the rally. Also attending the meeting were representatives of model and advanced workers in the whole province and leaders of all relevant provincial departments. The rally was presided over by Governor Chen Shineng. Vice Governor Wang Guangxian announced the decision of the provincial party committee and the provincial government of Guizhou on commending model and advanced workers. The title of model workers were conferred on 256 comrades, and the title of advanced workers were conferred on 95 comrades. Secretary Liu Fan-

gren of the provincial party committee gave a speech at the meeting. He said: These model and advanced workers are the hard core of our society and the examples of the times and the backbone of the nation. Their noble spirit and character set an example for the entire people of all nationalities in this province. Their outstanding achievements and brilliant deeds will certainly become a strong mental force for inspiring the entire people of this province. [passage omitted]

#### Tibet Cracking Down on Gambling, Prostitution

OW0905092595 Lhasa Tibet People's Radio Network in Mandarin 1400 GMT 8 May 95

[FBIS Translated Text] Listeners and friends, recently a very small number of party members and cadres in Tibet have engaged in gambling and prostitution activities, thereby creating a very adverse influence on society. To address this grim situation, the discipline inspection commission of the Tibet regional party committee has taken strong measures to resolutely stop this hideous phenomenon. Recently, Lhasa Radio correspondent Gesangmingma Tianba interviewed (Qujia), deputy secretary of the regional discipline inspection commission, concerning the situation. The recorded interview follows:

[Begin recording] [Correspondent] Comrade (Qujia), I am a Lhasa Radio correspondent. Currently, the problem exists of Tibetan party members and cadres engaging in gambling and prostitution. As a discipline inspection official, how do you address this problem and what demands have you set for cracking down hard on gambling and prostitution activities?

[(Qujia)] Since reform and opening up, the vast number of Tibetan party members and cadres have generally been clean. The majority of party members and cadres are law-abiding, honest, and disciplined and work hard to serve the people. They are able to abide by party discipline and state laws. However, there are indeed some party members and cadres who have ignored party discipline and state laws. They have failed to withstand the test of reform and opening up, the corrosion of bourgeois vulgar culture, and the temptation of materialism and money worshipping. Thus, they have engaged in gambling and prostitution. Although only a small number of people have engaged in these activities, they have seriously tarnished the party's and government's image, causing great dissatisfaction among the broad masses. Because of this, party and government organizations at all levels and party members and cadres must attach great importance to resolutely cracking down on gambling and prostitution.

First, party and government organizations at all levels must strictly and unremittably strengthen the education and control of their party members and cadres. They must enhance party members' and cadres' sense of abiding by discipline and law to make every one of them fully realize that gambling and prostitution are illegal. These activities are a hideous phenomenon left over by the old society as well as wastes of the exploiting class and the bourgeoisie that will lead to family breakups, arouse public dissatisfaction, corrupt party and social styles, and obstruct socialist spiritualization. They are the two major vices in society. We must sternly ban Communist Party members and state cadres from engaging in gambling and prostitution activities of any type. These activities are not what party discipline and state law will tolerate and completely do not match the honorary titles of Communist Party members and state cadres. Party and government organizations and their leaders will be held responsible for neglecting the education and control of party members and cadres or for failing to take strong measures to stop their party members and cadres' involvement in gambling and prostitution after discovering such activities.

Second, party and government cadres at all levels, particularly leading cadres, must learn from Comrade Kong Fansen, a model for leading cadres. They must enhance their self-improvement, continue to improve themselves, and establish a firm and correct outlook on life and the world. They must set an example and practice a clean style. They must not engage in gambling and prostitution nor condone others engaging in these activities. They must not provide facilities or funds to others to engage in gambling and prostitution.

Third, discipline inspection organizations at all levels must coordinate with one another on the task of cracking down on gambling and prostitution. They must work under the unified leadership of local party organizations as well as pool their time and efforts to strictly ban party members and cadres from engaging in gambling and prostitution. On the basis of full investigation and study, clear fact-finding, and serious past cases of gambling and prostitution, they must handle trials openly and disclose details of cases to the public in punishing criminals. This is to arouse the confidence and courage of the vast number of cadres and people to struggle against gambling and prostitution. Discipline inspection organizations at all levels must closely coordinate and open up new avenues with public security, judicial, and cultural departments to establish a strong network of public opinion to resolutely stop gambling and prostitution. [end recording]

## North Region

**Beijing Secretary Attends Theoretical Study Forum**  
SK0905071595 Beijing BEIJING RIBAO in Chinese  
23 Mar 95 p 1

[Article by reporter Ding Yatao (0002 0068 7290): "Writing Your Own Article Should Be a Basic Skill of Young Cadres"]

[FBIS Translated Excerpt] At the theoretical study forum for young leading cadres at the bureau level held on 23 March, Chen Xitong, secretary of the municipal party committee, pointed out: The purpose of urging young cadres to write articles is to strengthen their theoretical accomplishment and to develop their ability to solve practical problems with Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics. He stressed: Writing an article personally and not relying on secretaries to do it is one of the basic skills which young cadres should have when they take up leadership work.

Yang Chaoshi, member of the standing committee of the municipal party committee and director of the organizational department, attended the forum. Qiang Wei, member of the standing committee of the municipal party committee and director of the propaganda department, presided over the forum.

The Beijing Municipal party committee has been persistently paying attention to the party's ideological and theoretical construction. Last year, while attending to the study of all cadres and the education of party members, it paid particular attention to enhancing the theoretical level of young leading cadres at the bureau level and strengthening the building of ranks of young theoretical workers and regarded this as one of the major strategic projects for training trans-century personnel. Last August, the municipal party committee called on bureau-level young leaders under 45 years old to conscientiously study the first, second, and third volumes of the *Selected Works of Deng Xiaoping*, to selectively study part of the Marxist and Leninist works, and to write an article on their experience in studying the theory on building socialism with Chinese characteristics by combining theory with practice. Before the Spring Festival of this year, 425 bureau-level young cadres all finished writing their own articles and handed them over to the municipal party committee, and through appraisal, 90 percent of the articles were graded as outstanding ones. The contents of the articles reflect that most of the young leading cadres have a certain accomplishment in Marxist theory, fully agreed with the theory on building socialism with Chinese characteristics, have a fairly high theoretical level, and at the same time, paid



attention to the reality of their own work, and guided the work with scientific theories.

Some bureau-level young cadres attending the forum exchanged their experience and understanding in writing theoretical articles. Yue Fuhong, secretary of the Huairou County party committee, Li Xiaoqiang, deputy head of Shijingshan District, Shan Qixiang, director of the municipal bureau of cultural relics, and Tian Zhenyu, deputy secretary of the party committee of the municipal construction work group, took the floor one after another.

Chen Xitong gave a speech in which he said: The proposal of the organizational department and propaganda department of the municipal party committee on urging bureau-level leading cadres under 45 years old to write a theoretical article is good. This demand is aimed at strengthening the theoretical accomplishment of young leading cadres and developing their ability to use Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics to solve practical problems. At present, we are in the process of building the socialist market economic system, and the task of leading the people to shake off poverty and march towards prosperity in face of us needs leading cadres to unceasingly enhance the leadership level. We often say that young leading cadres should improve their own skills. First, they must conduct investigation and study, and second, do a good job in masses work. Writing an article on one's own and not relying on secretaries to do it is a basic skill which young comrades engaged in leadership work should have. Writing a theoretical article may enable us to ponder more carefully and comprehensively while studying and analyzing the work. This is very helpful to practical work. Only by setting strict demands on themselves, using their brains more frequently, and starting to write articles in person, can young leading cadres develop their ability to comprehensively summarize numerous, complicated issues, enhance their logical thinking ability to eliminate the false and retain the true, to see one thing while thinking over another, and proceed from the outside to the inside, and gain the ability to analyze and solve problems, raise their own ideological level and quality, and finally enhance their leadership level. This practice must be upheld continuously and conscientiously. This year it is necessary to continuously write better theoretical articles in line with one's own work reality.

Qiang Wei also put forward demands on the theoretical study of bureau-level young cadres for 1995. [passage omitted]

**Beijing Reports on Investigation of Huang Zhenyou**  
SK0805140495 *Beijing BEIJING RIBAO in Chinese*  
10 Mar 95 pp 1, 4

[Report by reporters Zhao Zengxiu (6392 1073 4423) and Feng Xuehui (7458 1331 2585): "Black and White"]

[FBIS Translated Text] On the afternoon of 5 December 1994, at the meeting hall of the Beijing Youyi Group, the investigation group of the Beijing Municipal Discipline Inspection Commission solemnly read the report concluding the investigation on the rights and wrongs of the case relating to Huang Zhenyou, secretary of the party committee of the Beijing Youyi Group and general manager of the group.

"Today, we hold this meeting to wipe away the slops splashed on Comrade Huang Zhenyou's body...." This speech, made by Comrade Chen Jiru, Standing Committee member of the municipal Discipline Inspection Commission, won a burst of warm applause.

#### **Boldly and Resolutely Rejuvenate the Youyi Group**

On a cold day in March 1993, Huang Zhenyou left the post as deputy director of the municipal first commercial bureau and stepped through the gate of the Youyi Shopping Center. Prior to this, he knew something about the shopping center. He knew that due to the large declines in efficiency, the monthly bonus for each worker was only twenty or thirty yuan at most, and in some branches was less than one yuan. Thus, cadres and staff members and workers were lax in enthusiasm. A hundred and fifty-six persons left their posts in 1992.

"Youyi" had to be rejuvenated. Huang Zhenyou worked boldly and resolutely as soon as he arrived at his post.

He conducted on-the-spot work meetings among commodity departments, one after another in the order of urgency, eventually clearing out those goods kept in stock. The distribution system was reformed and replaced by a system linking benefits with sales. The shopping environment was improved by offering to the public all the goods that could be offered. Sixteen of 30 sections were closed down, with the persons transferred from these sections either being sent to the forefront of production or engaged in the tertiary industry. Through consolidation of discipline, individual cadres who refused to keep forging ahead and violated laws and discipline were dismissed from their posts. Simultaneously, Huang also adopted measures for providing handsome awards to workers who abided by discipline and for inflicting heavy penalties on those who violated systems and regulations. Last year, several individual salesmen within the jewelry department resold foreign exchange to foreign guests in order to obtain profits for themselves, creating

an extremely bad influence over the department's reputation. After this case was disclosed, the department removed their names from the rolls or forced them to retire. One grass-roots cadre was dismissed from his post for gambling and for being detained by the security organ. Simultaneously, five foreigners and five domestic personnel were invited as the first group of "service work supervisors." Huang Zhenyou personally issued letters of appointment to them, listening to their opinions and suggestions. In addition, he established the methods of "rewarding customers with reasonable complaints," "rewarding salesmen who have been put to great inconvenience," and "issuing evaluations to customers." The service work was elevated to a new height.

Figures, though being dull and dry, can explain problems.

The major economic targets in 1993 were: the marketing volume totalled 320 million yuan, up 10 million yuan or 2.8 percent over 1992. The major economic targets in 1994 were: the marketing volume totalled 420 million yuan, up 32.27 percent over 1993. The income of staff members and workers increased by a large margin. The monthly bonus of each and every worker rose from twenty or thirty yuan to several hundred yuan, and in some cases even more than one thousand yuan. This change also created a joke. A worker from the transportation and telecommunication department did not dare sign his name when drawing a bonus because he found his bonus was 300 yuan. He repeatedly asked if this bonus should be shared by two persons.

#### Gain Rumors From Hard Work

A series of strange events took place just when Huang Zhenyou tried to do something great.

A letter accusing Huang Zhenyou of abusing power for private gains, jointly signed by "some party members of the Youyi Shopping Center," was mailed to the municipal Discipline Inspection Committee on 29 August 1993.

After that, Liu Liying, Standing Committee member of the Central Discipline Inspection Commission; Li Yongan, secretary of the Beijing Municipal Discipline Inspection Commission; Li Qiyang, mayor of Beijing Municipality; the Supreme People's Procuratorate; and the Beijing Municipal People's Procuratorate successively received similar letters.

The trend to bring a lawsuit against Huang Zhenyou was increasing sharply. Huang Zhenyou was labelled an "enterprise moth and shopping center spendthrift." They even threatened to print and distribute leaflets to foreign customers and foreign news agencies detailing Huang's corrosive activities.

Countless rumors were circulating. Even the customers in Guangzhou were told something happened to Huang Zhenyou.

Where was Huang Zhenyou at the time?

Staff members and workers saw him studying reform program with the leading body, handling official affairs on the spot, and inspecting shops.

At that time, two approaches were available for Huang Zhenyou. One was to work slowly, not injure others, and drift along aimlessly. The other was to bravely strengthen management, boldly engage in pioneering work, and enliven the enterprise with the possibility of offending a small number of persons.

Huang hesitated at the crossroads, finally choosing the latter course. A joint venture had even invited him with a monthly payment of 50,000 yuan; he refused the invitation. Somebody suggested he go back to his post of deputy director; he did not utter a word. His old wife, who was hospitalized at the time, tried to persuade him to retire; he remained silent. Senior party members, staff members, and workers, jointly signing their names, could not help writing letters to the Beijing Municipal Discipline Inspection Commission and the Commercial and Trade Work Committee, stating: "Great changes have taken place in the Youyi Shopping Center after Huang took over the post of general manager.... He set strict demands and was brave in management, thus offending some persons.... We believe municipal leaders should support good cadres like General Manager Huang...."

#### Reverse the Reversal of the Truth

On 22 December 1993, leaders of the municipal party committee and municipal government headed by Mayor Li Qiyang went to the Youyi Group to handle affairs on the spot. Huang Zhenyou's basic thinking of deepening reform and accelerating development was affirmed by the municipal leaders. Li Qiyang urged them to "rejuvenate Youyi and add brilliance to Youyi again." Li Qiyang also patted his shoulder and said: "Don't be afraid, and boldly do your work."

The discipline inspection and supervisory organs paid full attention to the visitors and the incoming letters from the masses. These organs do not easily believe false words. When receiving the first letter about bringing lawsuits against Huang, the Beijing Municipal Discipline Inspection Committee adopted an attitude of being responsible to Huang Zhenyou; conscientiously investigated the problems he had been accused of; and proved these problems were either groundless accusations or sheer fiction.

However, more letters were received. The investigation group went to the Youyi Shopping Center again.

After six months of investigation, the whole truth has come out.

Letters reflected: "After working at the shopping center, Huang Zhenyou established a tourist commodity department under the service office, converted parts of the department's sales to his individual spending, and used the money to provide dinners and gifts."

Investigations proved that the tourist commodity counter under the service office of the Youyi Group was established with the approval of the former leader in October 1992. Huang Zhenyou never submitted an expense account to this department.

Letters reflected: "Huang evaded several million yuan in taxes in 1993."

Investigations proved that Huang was not involved in the evading of taxes.

Letters reflected: "Huang gained a huge sum of money for benefits by renting out one-third of the shopping center's counters to an enterprise."

Investigations proved that on 11 May 1993, the office meeting of managers approved renting one-sixth of a commodity department, about 80 square meters of floor space in total, to a joint venture. The Youyi Group gained a considerable amount of benefit from this; however, Huang did not gain any benefit.

Letters reflected: "Under the situation that no sufficient houses were supplied for the shopping center's staff members and workers, Huang Zhenyou asked for a house with three rooms, and had the shopping center's renovation company decorate his house gratis after taking on his job for one month."

Investigations proved that Huang Zhenyou's three-room house was distributed when he worked as deputy director of the first commercial bureau. The Youyi Group has not distributed houses to anyone since Huang was at Youyi. The Youyi Renovation Company did not decorate Huang's house.

Investigations also proved that the so-called "persons in the know" as mentioned in the letters not only negated Huang Zhenyou's problems but enumerated Huang's touching deeds of bravely engaging in pioneering work and playing an exemplary role. No wonder a discipline inspection cadre responsible for investigating Huang's case sighed: "Why do we rush to protect such a good cadre?"

When compiling this manuscript, the reporters often heard the people's sigh as follows: "Discipline inspec-

tion and supervisory organs are hands to eliminate evil as well as gods to uphold justice. So long as we are selfless we will not mind if others criticize. Truth and falsehood will be clarified.

#### **Tianjin Secretary Cuts Ribbons for Housing Project**

SK0905071995 Tianjin TIANJIN RIBAO in Chinese  
25 Mar 95 p 1

[FBIS Translated Text] The foundation stone-laying ceremony for the Futai Apartment project invested in Tianjin Limited Company of the China International Trust and Investment Corporation, and developed and managed by the Tianjin Futai Real Estate Development Company was held on 24 March. This is the China International Trust and Investment Corporation's first large-scale project to renovate dangerous and dilapidated houses in Tianjin.

Gao Dezhan, secretary of the municipal party committee, and Wei Fuhai, deputy manager of the China International Trust and Investment Corporation, who made a special trip to Tianjin, cut the ribbons to mark the laying of foundation stone of this project. Liu Wenfan, vice chairman of the municipal people's congress standing committee, and Vice Mayor Ye Disheng, participated in the foundation stone-laying ceremony.

Gao Dezhan gave an interview to reporters. He said: There are three mighty armies in Tianjin Municipality's national economic development pattern, and in addition to the municipal units and those in the 18 districts and counties, the central units in Tianjin and enterprises of other provinces and cities stationed in Tianjin also constitute an important force. To accelerate Tianjin's economic development, we must give full play to the enthusiasm of these three armies, and while expanding the degree of opening up, actively promote internal economic cooperation, and use large-scale cooperation to promote big development. Gao Dezhan said: The China International Trust and Investment Corporation is a large enterprise having influence at home and abroad. We highly welcome large companies like the China International Trust and Investment Corporation to run industry and commerce, to develop real estate industry, and to carry out more projects in Tianjin. He expressed hope that this corporation would continue to expand cooperation in Tianjin and Tianjin would further improve service in an effort to strengthen its appeal in inviting business and introducing capital.

The China International Trust and Investment Corporation has pinned great hopes on Tianjin's real estate market and held that along with the rapid economic growth, Tianjin Municipality's real estate industry will be rapidly developed.



The Futai Apartment project is located in a place between Yueyang Dao and Shashi Dao in Heping District. The houses of most residents in this place are dangerous and dilapidated one-storey houses with fairly poor living conditions. They have longed for renovating these houses as quickly as possible. According to the plan, this project will be carried out in two stages. The first stage of the project covers an area of 15,000 square meter. After renovation, the total construction area of Futai Apartment will be 68,000 square meters. This small community will have a beautiful environment with all supporting facilities and will become an urban landscape in Tianjin. The development company expressed that it will design and carry out the construction work carefully, guarantee the quality, speed up the progress, let the relocated residents to move back into new houses on time, and make greater contributions to Tianjin's economic development and urban construction.

### Northwest Region

#### Gansu Governor Speaks on 6-Month Work Plans

HK0805140195 *Lanzhou Gansu People's Radio Network in Mandarin 2300 GMT 25 Apr 95*

[FBIS Translated Excerpt] Yesterday afternoon, the provincial government called the fourth plenary meeting to analyze the current economic situation of our province, and to discuss how to fulfill all tasks in a solid manner, and to make arrangements for it.

After summing up the situation of provincewide economic operation in the first quarter, Governor Zhang Wule said: As far as the government work in the latter half of this year is concerned, we must focus our attention on key points and pay close attention to implementation. We must make efforts to settle all the hot issues and difficult problems arisen in social and economic development by centering on the objectives and tasks set by the third session of the eighth provincial people's congress, implement various measures in a down-to-earth manner, and strive to achieve major results in all types of work, thus laying a foundation for fulfilling the tasks for the whole year.

Zhang Wule also made arrangements for work of guaranteeing the all-round development of the rural economy, further deepening the enterprise reform, improving industrial production, conscientiously strengthening price administration, further intensifying infrastructure building, and seriously improving the comprehensive management of social order.

Zhang Wule pointed out: We must launch the anti-corruption drive in a profound and solid manner, improve our style of work, do practical work, and strive to fulfill all the tasks. [passage omitted]

#### Gansu Governor Meets Outstanding Entrepreneurs

HK0905101195 *Lanzhou Gansu People's Radio Network in Mandarin 2300 GMT 21 Apr 95*

[FBIS Translated Text] At a forum with outstanding national and provincial entrepreneurs yesterday afternoon, Governor Zhang Wule pointed out: At present, our government is in a very important and crucial period of complete transition to a socialist market economy. Entrepreneurs should take on their historical responsibility and make greater contributions to the development of Gansu.

At the forum, outstanding national entrepreneur (Liu Qijun) and outstanding provincial entrepreneurs Yang Jinyi, Fan Yuzhen, Fan Tiancai, Wangyu Jiga, Yang Jiqiang, Wei Jinchang, and Ban Wen spoke on such issues as enterprise reform, the development of the local economy, and the development of famous and fine-quality products.

Zhang Wule, Yang Zhenjie, Ke Maosheng, Han Xiuguo, Ying Zhongyi, and leading comrades of the provincial economic and trade commission conscientiously listened to the remarks made by the entrepreneurs.

Zhang Wule said: All of you are outstanding representative entrepreneurs. At present, you should have the spirit of devoting yourselves to your enterprises and to the development of Gansu. This year, activities must still be launched to attach importance to the administration, to build up inner strength, to transform the mechanism, and to improve benefit. The key to running an enterprise well lies in constantly improving the enterprise's inner strength and workers' living conditions, in constantly increasing their income, in making frequent contributions to the development of society, and in ensuring that the value of state-owned assets will be preserved and appreciated. It is necessary to conscientiously study all the reform measures introduced this year, [words indistinct], and study relevant enterprise laws and regulations to avoid disputes.

#### Gansu Leader Calls For Emulating Kong Fansen

HK0805140095 *Lanzhou Gansu People's Radio Network in Mandarin 2300 GMT 28 Apr 95*

[FBIS Translated Excerpt] On 27 and 28 April, the core study group of the provincial party committee held a study meeting to discuss the issue of emulating Comrade Kong Fansen's deeds. The meeting was chaired by Secretary Yan Haiwang of the provincial party committee. He required all localities and all departments to properly guide and organize cadres and the masses to study and emulate Kong Fansen. Yan Haiwang said: Kong Fansen's deeds gave expression to the noble character

of communists who are willing to make selfless dedications. Through emulating Kong Fansen, cadres and the masses in Gansu will be encouraged to overcome difficulties and change the backward conditions of this province. [passage omitted]

**Qinghai Secretary Attends Labor Day Celebrations**

*HK0805095495 Xining Qinghai People's Radio  
Network in Mandarin 2300 GMT 1 May 95*

[FBIS Translated Excerpt] On 1 May the provincial capital Xining was filled with a festive atmosphere and people were happily celebrating Labor Day. The city party committee and the city government of Xining organized large-scale celebratory activities in the People's Park. Provincial party, government, and military leaders Yin Kesheng, Sang Jiejia, Yao Xiangcheng, Doba, Yang Fengmin, Li Mingjin, Huanjue Cenam, [other names in-

distinct] joined 40,000 people in participating in the celebratory activities. [passage omitted]

At 1100, provincial leaders received representatives of model workers. Secretary Yin Kesheng of the provincial party committee said: This year's Labor Day is of greater significance as compared with Labor Days of previous years. In addition to the Beijing rally to commend model workers and the meeting to mark the 70th anniversary of the founding of the national federation of trade unions, we are experiencing a new period of deepening reform and economic development. People of all nationalities in this province should work hard with one heart and one mind, and do down-to-earth work in developing Qinghai's economy. Yi Kesheng called on the entire people of this province to emulate the model workers. [passage omitted]

**Taiwan Accepts U.S. Economic Talks Proposal**

OW0905030195 Taipei CNA in English  
0139 GMT 9 May 95

[By Benjamin Yeh]

[FBIS Transcribed Text] Taipei, May 8 (CNA) — The ROC [Republic of China] Government has agreed to the US proposal that vice ministerial-level economic talks be held in Washington on June 22, Foreign Ministry spokesman Rock Leng said on Monday [8 May].

The Clinton administration formally notified the ROC of the meeting plan last Friday, and the Foreign Ministry confirmed the plan after hearing suggestions from relevant government agencies, Leng said.

He noted that the ROC will not finalize the list of officials it will send to the meeting along with Vice Economic Affairs Minister Sheu Ke-sheng until the US presents its own list. The US side will be headed by Lawrence Summers, undersecretary for international affairs, Department of the Treasury.

Taipei had proposed to the US that the meeting focus on six issues: judicial cooperation, the Asia-Pacific Economic Cooperation forum, the General Agreement on Tariffs and Trade, international banking developments, Taiwan's plan to turn itself into an Asia-Pacific operations hub, and bilateral trade. The Clinton administration has yet to respond to the proposal, however, sources said.

It will be the highest-level meeting between the two countries since Washington switched diplomatic recognition from Taipei to Beijing 16 years ago, and was made possible after Washington announced a revised Taiwan policy last September.

**Official Sees 'No Big Changes' in French Ties**

OW0905031895 Taipei CNA in English  
0121 GMT 9 May 95

[By Flor Wang]

[FBIS Transcribed Text] Taipei, May 8 (CNA) — Vice Foreign Affairs Ministry Huang Hsiu-jih said on Monday [8 May] that there will be no big changes in Taiwan's relationship with France despite the conservative Jacques Chirac's victory in the French presidential election on Sunday.

Huang said bilateral relations would remain as stable as before even though Chirac is taking over after 14 years of socialist rule under outgoing President Francois Mitterrand. He said Chirac would focus on repairing France's economy rather than on diplomatic affairs. France's unemployment rate hovers around 12

percent, translating into an unemployed population of 3.3 million.

Huang said the government would still try to upgrade its relations with France by promoting bilateral trade and commercial ties.

The director of the ministry's European Affairs Department, C.R. Li, agreed that diplomatic issues, including the China issue, were left on the back burner during the presidential election.

Nevertheless, he expressed the hope that Paris will continue its friendly relationship with Taipei, and that bilateral substantive ties can be further boosted on a step-by-step basis.

**Shippers Receive Cross-Strait Licenses**

OW0905031495 Taipei CNA in English  
0130 GMT 9 May 95

[By Benjamin Yeh]

[FBIS Transcribed Text] Taipei, May 8 (CNA) — The Kaohsiung Harbor Bureau on Monday [8 May] issued licenses to three local shipping firms to provide transshipment service between Taiwan and Mainland China, while a government official warned Beijing not to disrupt the new service.

"Evergreen Marine Corp., Yangming Marine Transport Corp., and Yong Long Steamship Co. should be able to receive official documents for the cross-Taiwan Strait cargo service on Tuesday," a Kaohsiung Harbor Bureau official said.

The Ministry of Transportation and Communications announced last week the lifting of the transshipment cargo service ban, effective immediately.

Under the new measure, which is intended as part of government efforts to expedite cargo shipment across the Taiwan Strait in the absence of official contacts between the two sides, foreign feeder ships or foreign-registered Taiwan and mainland cargo ships can sail between Kaohsiung and Mainland China.

The ships will be allowed to transship mainland goods to third areas or countries, or cargoes from third countries to the mainland.

Evergreen Marine, the world's largest container shipping company, plans to offer transshipment services on the Kaohsiung-Shanghai-Ningbo and Kaohsiung-Tianjin-Qingdao routes. Evergreen plans to lease a 10,389-ton Cyprus-registered cargo vessel and a 14,534-ton Panama-registered cargo vessel for the planned services.



Yangming Marine, meanwhile, plans to lease a Cyprus-registered 4,610-ton cargo ship to ply the Kaohsiung-Shanghai route, while Yong Long is scheduled to lease three Panama-registered cargo ships for a planned Kaohsiung-Xiamen Route. Xiamen is a port city in Fujian Province, sitting directly across from Taiwan.

Despite Taiwan's unilateral move to open up cross-strait shipping routes, a mainland Chinese official said over the weekend that the plan still needs the cooperation of Beijing.

Li Jian, director of the Taiwan Affairs Office under Mainland China's Ministry of Communications, told Taiwan reporters that Taiwan has to negotiate with Beijing before its offshore transshipment plan can be implemented.

But Mainland Affairs Council Vice Chairman Kao Koong-lian, responding to Li's remarks, said that if the mainland deliberately erects barriers in the way of the transshipment measure, it will be held responsible for the standstill in transportation links between the two sides.

He said the plan was adopted purely with economic considerations in mind, and that it will help the mainland lower its transportation costs. He likened the mainland's attempts to sabotage the plan as "putting the cart in front of the horse."

#### **Court Issues Sentences on Drowned Mainland Fishermen**

*OW0905044095 Taipei CNA in English*  
0158 GMT 9 May 95

[By Benjamin Yeh]

[FBIS Transcribed Text] Taipei, May 8 (CNA) — The Ilan District Court on Monday [8 May] sentenced to 26 months in jail both the skipper and the owner of the vessel that sank last July in waters off the northeastern port of Suao, killing the 10 mainland fishermen it had illegally housed.

The owner, Chang Hsi-ming, and skipper, Wu Sung-ming, both were found guilty of illegally housing mainland fishermen and of dereliction of duty.

Chang's wife, Chang Huang Hsiu-ching, and the former skipper of the boat, Chao Chi-wang, also received nine-month jail terms each for serving as illegal brokers for the mainland fishermen who sought work on the boat.

The ill-fated fishing boat, the "Shang Hao No. 3," one of several Taiwan boats serving as "ocean hotels" for illegal mainland fishermen, ran aground near Suao Port on July 10 while it was seeking shelter from a typhoon.

Chang Hsi-ming and the relatives of the victims have so far failed to reach an agreement on the amount of compensation due the families.

#### **Lien Chan Meets With Costa Rican Minister**

*OW0905094095 Taipei CNA in English*  
0847 GMT 9 May 95

[By Danielle Yang]

[FBIS Transcribed Text] Taipei, May 9 (CNA) — Premier Lien Chan told visiting Costa Rican Public Works and Transportation Minister Bernardo Arce Gutierrez that the Republic of China [ROC] is willing to exchange experiences and technology with Costa Rica on infrastructure development.

Lien said Costa Rica, under the able leadership of President Jose Maria Figueres, is strengthening various infrastructure construction projects to accelerate economic development and promote foreign trade.

Lien told Arce that Costa Rica's sound democratic political system and rich cultural heritage are respected and admired by the ROC.

Accompanied by Bing F. Yen, director of ROC Foreign Ministry's Central and South American Affairs Department, Arce said he admired the economic achievements here and called for more investment from the ROC to Costa Rica.

Arce also said he will visit harbor facilities in Kaohsiung, adding that he hoped the ROC can provide assistance to help with harbor construction projects in his country.

Arce arrived in Taiwan Sunday [7 May] and is scheduled to leave Friday.

#### **Chiang To Attend 13-17 May PBEC Conference**

*OW0905033795 Taipei CNA in English*  
0108 GMT 9 May 95

[By Flor Wang]

[FBIS Transcribed Text] Taipei, May 8 (CNA) — Economic Affairs Minister P.K. Chiang has been invited to the 28th international annual conference of the Pacific Basin Economic Council [PBEC], which begins on May 13 in Auckland, New Zealand, the Taiwan Institute of Economic Research said on Monday [8 May].

Institute officials said representatives from PBEC member states will discuss topics regarding regional economic cooperation and diversity during the five-day meeting. Chiang, together with his counterparts from Australia, Chile, Colombia, Indonesia, South Korea,

New Zealand and Peru, will co-chair a ministerial-level meeting and deliver a keynote speech on government-private sector economic cooperation, according to the officials.

In addition to government officials, executives from leading firms in the region, including representatives from Taiwan's Chinese Petroleum Corp., Ching Fon Group and Acer Sertek Inc., will also give speeches at the meeting, they noted.

**Officials To Probe Alleged Italian Ban**

*OW0805125695 Taipei CNA in English*  
*0848 GMT 8 May 95*

[By H.T. Chung & Debbie Kuo]

[FBIS Transcribed Text] Rome, May 7 (CNA) — The Italian Chamber of Commerce has reportedly barred Chinese from both Mainland China and Taiwan from applying for company registration in Italy.

The ban took effect on September 17, 1994, sources said, due to the lack of a bilateral reciprocal business agreement between Italy and Mainland China. The ban effectively prevents Chinese companies from setting up shops on Italian soil.

A recent request by a Taiwan businessman to establish an affiliate company in Italy was turned down by the Rome Chamber of Commerce because of the ban, according to ROC [Republic of China] trade officials posted there.

However, another Taiwan businessman was allowed to register his company with the Milan Chamber of Commerce, the officials noted, pointing to the inconsistent enforcement of the ban.

Since Italian law does not ban foreign nationals from registering companies in Italy, the officials said they will protest the unfair treatment to legal officials next month.

The officials did not rule out retaliation against Italian companies in the ROC if the practice continues.

**U.S. Firm, CAL To Form Joint Venture**

*OW0805113795 Taipei CNA in English*  
*0914 GMT 8 May 95*

[By Sofia Wu]

[FBIS Transcribed Text] Taipei, May 8 (CNA) — US-based Pratt & Whitney Co. will form a joint venture with Taiwan's flag-carrier China Airlines (CAL) and Singapore Aerospace Engineering Pte. Ltd. to launch an aircraft engine maintenance shop in Taiwan, government sources said Monday [8 May].

After more than one year of negotiations, the three partners have struck the joint-venture deal and will sign a formal contract in Taipei Wednesday, Industrial Development Bureau (IDB) officials said.

The new venture will initially focus on repair and maintenance of Pratt & Whitney products and is expected to become an Asia-Pacific regional aircraft engine maintenance center in the future, the officials noted.

The venture will have a paid-in capital of US\$17 million, with Pratt & Whitney contributing 50 percent of the fund, CAL 25 percent and Singapore Aerospace 25 percent.

The joint-venture firm will use CAL's existing maintenance hangars and Pratt & Whitney will transfer advanced technologies for repair and maintenance of its newest products — the PW-4000 series of aircraft engines for Boeing 747 and Boeing 777 jumbo jets, including the world's most powerful aircraft engine — the PW-4080.

The technologies Pratt & Whitney agrees to transfer to CAL include laser drilling, plasma coating, vacuum welding, and turbine pressure and other related maintenance techniques.

The technology transfer is part of a Pratt & Whitney offset program in return for Taiwan's purchase of a number of US-made aircraft using its engines.

Pratt & Whitney, the world's largest aircraft engine manufacturer, already operates an engine maintenance center in Singapore in cooperation with Singapore Aerospace. The Singaporean firm originally opposed the Pratt & Whitney-CAL joint venture and threatened to cut off its partnership with the US firm, IDB sources said.

Attracted by Taiwan's good geographic location and its well-developed industrial support system, Pratt & Whitney insisted on setting up a new aircraft engine maintenance center in Taiwan to cater to the needs of the rapidly growing Asia-Pacific aviation market, the sources said.

After difficult negotiations, the sources said, Singapore Aerospace finally softened its position and decided to take part in the new joint venture.

**Overseas Investment Declines in 1st Quarter**

*OW0905034995 Taipei CNA in English*  
*0154 GMT 9 May 95*

[By Flor Wang]

[FBIS Transcribed Text] Taipei, May 8 (CNA) — Taiwan's overseas investments totaled US\$313 million

in the first four months of this year, a sharp decrease of 56 percent from the same period last year, the Economic Affairs Ministry said on Monday [8 May].

Statistic released by the ministry show that Taiwan investment in Vietnam, Singapore, and Thailand dropped 78 percent, 56 percent and 76 percent, respectively, although local capital going to the Philippines, Indonesia, Malaysia and the United States posted slight increases.

Meanwhile, overseas Chinese and foreign investment in Taiwan rose 47 percent to US\$483 million in the same four-month period, according to the tallies.

The chemicals industry saw the greatest increase in investment from abroad — 286 percent — while investment in securities firms, the services sector, and the electronics and home-appliances industry also increased substantially.

Meanwhile, the government approved US\$340 million worth of indirect investment by Taiwan industries in Mainland China in the January-April period, statistics compiled by the Economic Affairs Ministry's Investment Commission show. Local investment in Mainland China's rubber industry rose an astounding 939 percent, while the mainland's electronics and home-appliance industry also saw a steep increase in investment from Taiwan, according to the tallies.

#### **Trade Deficit With Europe \$3 Billion in 1994**

*OW0805114295 Taipei CNA in English*  
0844 GMT 8 May 95

[By Lillian Lin & Debbie Kuo]

[FBIS Transcribed Text] Bonn, May 7 (CNA) — Taiwan's trade deficit with Europe swelled to US\$3.023 billion in 1994, up 3.6-fold from 1993, according to officials from the ROC [Republic of China] Ministry of Economic Affairs posted in Germany.

The Taipei Economic and Trade Office in Bonn said two-way trade between Taiwan and Europe as a whole amounted to US\$28.88 billion last year, with Taiwan's exports to Europe totaling US\$12.929 billion and imports totaling US\$15.952 billion.

As a result, Europe enjoyed a trade surplus of US\$3.023 billion with Taiwan in 1994.

Germany remained the leading source of Taiwan's European imports last year, racking up nearly half of the European trade surplus, followed by Russia, Switzerland, Italy, France, Sweden, Poland and Ukraine, the officials quoted ministry statistics as saying.

Imports from those countries centered on capital goods, including machinery facilities, industrial raw materials

and semi-finished products, as well as high-end consumer products such as automobiles, gold and alcoholic beverages.

As the European imports are either indispensable to Taiwan's industrial development or helpful to raising the standard of living, the officials said, there is no reason to curb their growth.

However, they said Taiwan should work to increase exports to the European continent, particularly to those countries enjoying high trade surpluses with Taiwan, they emphasized.

Although Taiwan's exports to other world markets have continued to expand, the country's shipments to Europe have dropped from 16.7 percent of total exports in 1993 to 13.9 percent in 1994, the officials said.

Taiwan's trade with the 15-member European Union (EU) accounted for about 80 percent of the country's entire two-way trade with Europe as a whole last year.

In 1994, Taiwan's imports from the EU soared 16.4 percent, but its exports to the area recorded a negative growth of 0.7 percent, the officials said.

The officials said a number of factors were responsible for the trade imbalance, including increased exports to the EU from Mainland China and other Southeast Asian countries which took the place of Taiwan exports, particularly labor-intensive exports and some high-value products.

Increased trade among EU members also contributed to a decline in purchases from Taiwan, they added.

On the Taiwan side, manufacturers' moves to Mainland China and Southeast Asia to avoid a labor shortage, rising wages and strong new Taiwan dollar have helped shrink exports to the EU.

More demand for environmentally-friendly, safe and sanitary products, as well as anti-dumping duties also served as barriers to Taiwan exports.

#### **Capital Repatriation Outpacing Inbound Remittances**

*OW0905033695 Taipei CNA in English*  
0143 GMT 9 May 95

[By Y.C. Tsai]

[FBIS Transcribed Text] Taipei, May 8 (CNA) — Capital repatriation far outpaced inbound remittances by foreign institutional stock investors in the first four months of this year, an indication that the Taiwan bourse is losing its luster, the Central Bank of China (CBC) said Monday [8 May].



Statistics show that foreign institutional investors put a combined US\$515 million into the Taiwan Stock Market from January through April, while US\$1.082 billion was repatriated in the four-month period.

So far, CBC officials pointed out, US\$10.57 billion in foreign stock investment has been approved, far below the ceiling set by the central bank.

Currently, stock investments from abroad, including foreign institutional investments, convertible bonds issued in foreign countries and global depositary receipts (GDRs), are allowed to command up to 12 percent of the bourse's market value, or US\$24.286 billion.

Convertibles are corporate bonds exchangeable for a set of common shares at a prestated price, while GDRs are documents through which foreigners could hold stock in Taiwan corporations by buying the stock abroad.

#### Offshore Banking Assets Listed

OW0905035095 Taipei CNA in English  
0150 GMT 9 May 95

[By Y.C. Tsai]

[FBIS Transcribed Text] Taipei, May 8 (CNA) — Assets held by offshore banking units (OBUs) hit a new high of US\$31.63 billion at the end of March, up 11 percent from the year-earlier level, the Central Bank of China (CBC) said Monday [8 May].

Chang Poh-hsi, director of the CBC's Foreign Exchange Department, pointed out that the number of OBUs also rose from 38 to 50 in the one-year period.

A breakdown of CBC statistics shows that the 28 OBUs operated by domestic banks possessed combined assets of US\$19.73 billion, accounting for 62 percent of the total, and that the 22 owned by foreign banks had the remaining US\$11.9 billion in assets.

Offshore banking is a collective term for banking that is free from domestic regulations and, sometimes, tax. The world's biggest "offshore" hubs include London, Nassau, Hong Kong, Singapore, Luxembourg, New York and Tokyo.

In March alone, Chang noted, foreign exchange transactions by the OBUs totaled US\$8.29 billion.

Futures trading, which amounted to US\$1.67 billion in March, topped other derivatives dealings done by the OBUs. Margin trading came in second at US\$488

million, followed by the US\$207 million in options trading, he said.

Derivatives, which involve financial instruments such as futures, swaps and options, are contracts giving one party a claim on assets at some point in the future and binding a counterpart to meet a corresponding liability.

The number and assets of Taiwan's OBUs are expected to continue to rise through the year, Chang said.

In addition to Japan's Dai-Ichi Kangyo Bank, which began its OBU operations in April, 11 other banks, including Northwest Bank Minnesota, the Royal Bank of Canada, the National Bank of Canada, Bank Sinopac, Fubon Commercial Bank, and Pan Asia Bank have been given the green light to establish OBUs, he elaborated.

#### Manufacturing Output Figures for 1st Quarter Issued

OW0905033595 Taipei CNA in English  
0134 GMT 9 May 95

[By Flor Wang]

[FBIS Transcribed Text] Taipei, May 8 (CNA) — The production value of Taiwan's manufacturing sector reached US\$53.8 billion in the first quarter of this year, up 16.7 percent from the same period last year, Industrial Development Bureau officials said on Monday [8 May].

They said the growth rate was higher than the economic growth rate projected by the Directorate General of Budget, Accounting and Statistics for the same period. In March alone, they added, the output of the sector increased by 18 percent on a year-earlier basis, to US\$20.3 billion.

The officials said that the power and the electronics maintenance industries posted the largest increases during the three-month period, both growing 34 percent, while the textile, leather, and wood-making industries showed the largest falls, with double-digit decreases.

The combined production value of the power and electronics maintenance industries, leading all other sectors, totaled US\$11.62 billion in the first three months of the year. The chemical materials industry came in second, registering an output of US\$5.38 billion, according to the officials.

## Hong Kong

### Li Ruihuan Meets Visiting Hong Kong Group

OW0805141695 Beijing XINHUA Domestic Service  
in Chinese 1225 GMT 7 May 95

[By reporter Duanmu Laidi (4551 2606 0171 1229)]

[FBIS Translated Text] Beijing, 7 May (XINHUA) — Li Ruihuan, chairman of the Chinese People's Political Consultative Conference [CPPCC] National Committee, met with a visiting group from the Chaozhou Chamber of Commerce of Hong Kong headed by Tang Xueyuan in the Great Hall of the People today.

Li Ruihuan extended his welcome to the visiting group. He said: The Chaozhou Chamber of Commerce of Hong Kong is concerned about the economic construction of its motherland and home town. Many of its members have invested in running factories or have made financial contributions to social welfare undertakings on the mainland; and they have done a great deal of work for the development of the Chaozhou and Shantou region. The tremendous changes that have taken place in recent years in the Chaozhou and Shantou region are inseparable from the support by overseas Chinese compatriots.

Li Ruihuan said: There are only a little over two years left before the reversion of Hong Kong to the motherland in 1997, and a great deal of work remains to be done during the second half of the transitional period. The time is very pressing, and we should work harder and harder to do each and every piece of work well. We have confidence in ensuring a smooth transition of Hong Kong and maintaining its prosperity and stability. He added: Fundamentally speaking, maintaining Hong Kong's stability and prosperity will also rely on the concerted efforts of the Hong Kong compatriots. I hope the Chaozhou Chamber of Commerce will join other Hong Kong people in making new contributions to doing all work well during the second half of the transitional period for Hong Kong. At the same time, our relevant departments also want to continue their close, cooperative relations with the Chaozhou Chamber of Commerce.

Tang Xueyuan, head of the visiting group, briefed Li Ruihuan on the development situation of the Chaozhou Chamber of Commerce. He said: The Chaozhou Chamber of Commerce supports Hong Kong's reversion to the motherland, the Hong Kong Basic Law, and the motherland's general and specific policies concerning Hong Kong. During the second half of the transitional period, we will unite our more than 1 million fellow townsmen and Hong Kong compatriots in making greater efforts for Hong Kong's long-term stability and prosperity.

Wang Zhaoguo, vice chairman of the CPPCC National Committee, and other CPPCC leaders were present at the meeting.

### Businessmen Call For China's MFN Renewal

OW0805122595 Beijing XINHUA in English  
1153 GMT 8 May 95

[FBIS Transcribed Text] Hong Kong, May 8 (XINHUA) — Leading U.S. and Hong Kong businessmen and trade officials gathered here today and called for this year's renewal of China's unconditional Most Favored Nation (MFN) status which is due to be reviewed at the U.S. Congress around June.

The support for the renewal of China's MFN status was voiced in a joint communique issued after the conclusion of the 10th Joint Plenary Session of the Hong Kong and United States, and United States and Hong Kong Economic Cooperation Committees.

Dozens of influential industrialists, bankers, economists, government officials and heads of trade organizations from the United States and Hong Kong attended the one-day meeting, an annual event since the committees were established in 1984.

In the communique, members of the committees expressed their welcome to last year's renewal of China's MFN status, which they said had substantially enhanced Hong Kong's trade outlook and had helped to generate increased business activity between the U.S. and China.

They also called for China's MFN status to be extended annually without renewed threat of interruption in future years.

During discussions of economic developments in China, members were optimistic about prospects for its sustaining economic reform and growth, said the communique, adding that China's joining the World Trade Organization would have a positive impact on the trade and investment between China and the U.S. via Hong Kong.

Members of the committees also praised China's new efforts to protect intellectual property rights, which they said had eased a long-standing area of tension in the U.S.-Sino economic relations.

At today's plenary session, the committees also reviewed recent developments in the U.S. political environment, its economy and trade with Hong Kong, the economic role of Hong Kong in the Asia-Pacific region.

Members of both committees envisaged that Hong Kong's strategic role will continue and encourage American companies to take full advantage of it.

They discussed issues arising from Hong Kong's transition to become a Special Administrative Region of China on July 1, 1997 and expressed their confidence in the city's great future.

The Hong Kong and United States and United States and Hong Kong Economic Cooperation Committees were established with the objective of strengthening the economic and trade ties between Hong Kong and the United States. [sentence as received]

#### Series of PWC Meetings Begin

OW0905044695 Beijing XINHUA in English  
0319 GMT 9 May 95

[FBIS Transcribed Text] Hong Kong, May 9 (XINHUA) — The Preliminary Working Committee (PWC) for the Preparatory Committee for the Hong Kong Special Administrative Region will hold a series of meetings in Hong Kong starting from today.

During the meetings, members from four panels under the PWC will discuss a number of issues concerning the transition in Hong Kong, ranging from social security, legal issue to political and economic affairs in the city, said a source close to PWC.

According to the source, members of the four panels will take the meetings as an opportunity to get in touch with the people from various circles in Hong Kong and solicit opinions from them.

They will also brief the local deputies to the National People's Congress and the local members of the Chinese People's Political Consultative Conference, Hong Kong affairs advisers and district affairs advisers on their work.

PWC's social security panel will hold a speech session on the cooperation between the Chinese mainland and Hong Kong in fighting crimes and its economic panel will hold a seminar on the strengthening of Hong Kong's status as an international financial center.

Lu Ping, Director of the State Council's Hong Kong and Macao Affairs Office, will attend the PWC's meetings here.

#### Police Review: North America 'Priority Area'

HK0905080295 Hong Kong HONGKONG  
STANDARD in English 9 May 95 p 2

[By James Kelly]

[FBIS Transcribed Text] Drug trafficking with North America and counterfeiting have been identified as major issues confronting the Narcotics Bureau and the Commercial Crime Bureau in the next 10 years.

The Police Management Review, released yesterday, recommends the two departments of the Royal Hong Kong Police refocus their resources to counter such crimes.

At the same time it says free security services to commercial organisations should cease.

The review calls for existing structures to be formalised to meet an anticipated increase in counterfeiting and drug trading.

Assistant Commissioner of Police Benny Ng said the recommendations would refocus resources for the Narcotics Bureau. "We want a more dedicated approach and we perceive North America is a priority area," he said.

The recommendations in the Narcotics Bureau report are being implemented this financial year. Forty five posts will be created in the bureau at a cost of \$8 million.

There will also be a greater emphasis in the bureau on tracing conspiracies involved with the drug trade by formalising an investigative team.

Staff will be increased in the surveillance section, and the intelligence group will be restructured to create Agent Handling and Support Groups. Mr Ng denied these were mere cosmetic name changes.

A similarly quiet transformation will be taking place within the Commercial Crime Bureau, according to its chief superintendent, Neil McCabe.

"We have a large pool of police interpreters under the command of the one man, so we will be getting two more senior inspectorate posts to split the pool," he said.

An increase in counterfeiting was a factor behind the change, which Mr McCabe said should prevent any possibility of bias during the investigation process.

It was also recommended to formalise the composition of teams investigating fraud and computer crime.

Some officers, however, are critical of the review's recommendation that the Crime Prevention Bureau cease to provide free business security survey services to commercial organisations, which they say could jeopardise public safety.

But senior officers involved in the review are quick to point out that this does not mean police will start charging for the service, but that they will no longer compete with the private security sector.

The proposal has not been met with enthusiasm by the Crime Prevention Bureau, which argues that police can provide the best security advice.



The bureau's superintendent, Graham Lander, thought the plan, if implemented, would send out the wrong message. "I think it will discourage people from coming to us for advice," he said.

"In all honesty (private security firms) could not provide the same service. They are not party to the same information to analyse the causes of crime. But I want people to know I'll be doing nothing different tomorrow from what I'm doing today."

In defence of the recommendation, Mr Ng said the bureau would still provide general advice for businesses. However in the case of specialised security precautions, they may be dealt with by the private sector.

#### **Economy Grows 5.1% in Last Quarter of 1994**

*HK0905080095 Hong Kong EASTERN EXPRESS in English 9 May 95 p 27*

[By Sara French]

[FBIS Transcribed Text] The economy grew by 5.1 percent in the final three months of last year, slowing from its 5.7 percent pace in the first quarter of 1994, the Government says.

"It's just a continuation of certain trends we have been seeing during the latter half of 1994, and in fact extending into the first few months of this year," Kwok Kwok-chuen, Standard Chartered Bank's chief economist for Northeast Asia, said. In particular, Kwok pointed to the slump in consumer spending, which grew by only 4.9 percent in the fourth quarter, from the year-earlier period. This was down from 12.1 percent growth in the first three months of 1994.

All figures are adjusted for inflation. Spending on private consumption weakened even further in the first quarter of this year, he said, though he did not offer an estimate.

Deteriorating business conditions in China, which do not show up in the Hong Kong Government's gross domestic product figures, were partly responsible for the local-spending slowdown, he said.

"If you look at Hong Kong's GDP numbers, they grow rather steadily — 5.5 percent, up or down a small margin — but in terms of consumption expenditures, you see big swings," he said, suggesting that consumer spending is a better gauge of economic conditions on the mainland.

For 1994 as a whole, the Government said GDP grew by 5.5 percent in real terms.

This figure is likely to be matched in 1995, according to The Financial Survey, which polls large brokers for their economic and corporate forecasts. The survey's median GDP growth forecast for 1995 is 5.6 percent, with analysts' predictions ranging from a low of 4.9 percent, to a high of 5.9 percent.

Capital spending picked up, growing by 13.9 percent in the fourth quarter. This was down from the first quarter's 16.3 percent rate, but up from 10.8 percent in the second quarter, and 11.3 percent in the third.

Gross domestic fixed-capital formation was boosted by spending on construction and on machinery and equipment. Construction expenditure grew by 14.2 percent in the fourth quarter, while machinery and equipment spending was up by 20.0 percent.

"Firms are investing for the future," Kwok said. "Some of these (investments) are already bearing fruit. If you look at domestic export figures in recent months, they are growing somewhat faster than many people expected." The value of domestic exports rose by 11 percent in March.

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